



ASIAN SHIPOWNERS' FORUM

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22 May 2012
Port Douglas, Australia

PRESS RELEASE

Asian shipowners urge UN and governments to continue taking urgent and effective measures against Somali piracy.



Participants of the 21st ASF demonstrate their support for the SaveOurSeafarers (SOS) Campaign

Without a doubt, piracy remained top of the agenda at the 21st Asian Shipowners' Forum (ASF) which concluded its annual meeting in Port Douglas, Australia today.

Over the past 7 years, more than 62 seafarers have been murdered and more than 3,000 have been held hostage from the almost 200 ships hijacked by Somali pirates off the coast of Somalia, Gulf of Aden and the wider Indian Ocean. Piracy has cost the global economy an estimated USD 5 to 7 billion in 2011¹, including protective measures to safeguard ships and crew, increased insurance costs, as well as the millions of dollars in ransom money.

The ASF appreciates that on 23 March 2012, the European Council permitted their Naval Forces to take disruptive action against known pirate supplies on the Somalia shore. **Mr Noel Hart**, Chairman of the 21st ASF said, "The operations carried out by EU Naval Forces on 15 May 2012 to disrupt pirate supplies and bases on the Somali shoreline is welcome and has sent a clear signal that piracy cannot be tolerated. Blatant attacks on innocent ships and seafarers must be stopped! The ASF urges continuing and stronger political will to address the root causes of piracy – on land in Somalia."

Mr Patrick Phoon, Chairman of the Safe Navigation and Environment Committee said, "We are very grateful that the combined naval forces are keeping a vigilant eye in this area. Given the great expanse of coverage, it is no small task to safeguard these waters from Somali pirates. The ASF is developing a Counter Piracy Proposal in response to the continuing threat of Somali piracy, the details of which will be presented to Working Group 1 of the Contact Group for Piracy off the Coast of Somalia (CGPCS)."

The Seafarers Committee of the ASF once again expressed its strong concern at the trauma, agony, suffering and lasting psychological and physical effects on seafarers and their families due to pirate attacks. The long period of captivity when being held as hostages is a nightmare. **Mr Li Shanmin**, the Chairman of the Seafarers Committee, said "The situation continues to be a serious crisis, one that deeply affects the mental health of seafarers and their families. The threat cannot be forgotten and we demand that all possible action is taken to alleviate the situation." The ASF remains deeply concerned for the well-being of the 197 seafarers currently being held hostage on hijacked ships², as well as 7 Indian seafarers who continued to be held hostage despite payment of ransom³.

Mr Yusumi Kudo, Chairman of the Shipping Economics Review Committee, emphasised that "Amid the unprecedented challenges

affecting the world economy, including the shipping industry, world trade is seriously threatened by piracy. The global community cannot ignore this serious problem. Shipowners continue to absorb a large portion of the additional cost and this burden must be shared collectively by all stakeholders. The situation is especially exacerbated in container trades due to soaring bunker prices, in that each shipping company must consider whether to operate vessels with armed personnel on board or at an increased speed.”

Turning his focus to other regions, **Mr Phoon** expressed concern that the number of piracy and armed robbery attacks reported worldwide in 2011 continued to remain high at 439 incidents⁴. The ASF is alarmed by the increased magnitude of piracy in West African waters off Benin and Nigeria, and urges the United Nations to take immediate and urgent action to address this problem.

The ASF is supportive of the Hong Kong Ship International Convention for the Safe and Environmentally-Sound Recycling of Ships, 2009.

Mr Bronson Hsieh, Chairman of the ASF Ship Recycling Committee said "The Hong Kong Convention is an important step towards developing a truly sustainable industry. The Hong Kong Convention, when it enters into force, would bring improvements to ship recycling in both safety and quality. We urge the IMO member States to ratify, and the world shipping industry to support, the Convention."

ASF is also concerned about the recent toll increases for use of both the Suez and Panama canals amidst a stagnant shipping market. The Forum considers that it is very hard to accept any toll increases implemented without close and interactive dialogue with the shipping industry, in view of the canals' public nature as social infrastructure and the important role they play in the global supply chain.

The Forum noted the European Council sanctions against Iran, as contained in EU law Regulation 267/2012 dated 23 March 2012, and the prohibition under those sanctions of International Group P&I Cover for ships carrying Iranian crude oil, petroleum or petrochemical products, or for ships, perhaps inadvertently, carrying Iranian origin bunker fuel in their bunker tanks. **Mr Robert A Ho**, the acting Chairman of the Ship Insurance and Liability Committee said "The clearly unintended effect of these sanctions could be disastrous. The P&I Clubs of the International Group provide very high limits and breadth and scope of liability insurance, the primary purpose of which is to protect innocent third party

victims of maritime incidents, and has little, if any, benefit for the targets of the sanctions." The Forum calls upon the European Council to reassess this aspect of the sanctions, and to make permanent the temporary exemption for liability insurance and reinsurance.

Mr S Hajara, President of Indian National Shipowners' Association, was elected as the Chairman of the 22nd ASF. **Mr Akimitsu Ashida**, President of Japanese Shipowners' Association, was elected as the Vice-Chairman of the 22nd ASF.

- 1 *The Economic Cost of Somali Piracy 2011, Oceans Beyond Piracy*
- 2 *IMB Piracy Reporting Centre, figures updated on 18 May 2012*
- 3 *Directorate General of Shipping, India*
- 4 *Report on Piracy & Armed Robbery against ships 2011, IMB*

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The Asian Shipowners' Forum (ASF) is a voluntary organisation of the shipowners' associations of Australia, China, Chinese Taipei, Hong Kong, India, Japan, Korea and the Federation of ASEAN Shipowners' Associations comprising shipping associations of ASEAN countries.

The aim of the ASF is to promote the interests of the Asian shipowning industries. It has been estimated that ASF owners and managers control and operate nearly 50% of the world's cargo carrying fleet.