

Piracy: A Risk Shared By All

Maritime transportation has steadily evolved in sophistication with state of the art equipment, global weather information gathering, GPS tracking and previously inconceivable size and container carrying capacity. However, ocean shipping remains a risky business. (By Don Pisano)

The perils of the seas are the source of many legendary tales that have both thrilled and terrified us over years gone by. While we no longer fear dragons over the horizon, and the phrase "uncharted waters" has been relegated to a mere rhetorical expression, we are still faced with the threat of attacks by modern day pirates in certain corners of the world.

The greatest risks lie off the east African coast where Somali based pirates have expanded their zone of operations across the Arabian Sea deep into the Indian Ocean nearly to the coastal waters of India itself. While increasing in scope, these attacks are becoming ever more violent with the assailants demanding greater sums as ransom for the hijacked vessels and kidnapped crews.

This year, the number of attacks has surged. According to the International Chamber of Commerce International Maritime Bureau, year to date there has been 409 attacks worldwide and 41 incidents of armed hijackings in which 15 mariners including merchant seaman and civilians have been killed. As of December 1st, there were 10 vessels reportedly being held for ransom with 172 seafarers being held as hostages. Once captured, our seafarers are subject to beatings, torture and even murder.

Besides the human toll of this crisis,

the global economic impact is huge. Recent estimates of the worldwide costs range from \$7 billion to \$12 billion and rising with up to \$3 billion for increased insurance costs alone. Clearly the bulk of the financial risk is borne by the ship owners and their insurers.

Although less dramatically, shippers of commercial products through these high risk areas are exposed to potential damage to their product and severe delays in delivery causing tremendous strain on their cash-flow.

Several organizations including the International Chamber of Commerce (ICC), the International Maritime Organization (IMO), and the World Shipping Council (WSC), have been trying to increase the visibility of this crisis and demand greater action by the international community to deal immediately and forcefully with these pirates that plague the seas, as well as confronting their land based financial support network.

While the safety of our seafarers is paramount, clearly the owners of the goods laden on board bear a risk to the safe and speedy transport of their cargo to its intended destination. This is one area where the interests of the world's ocean carriers and the interests of shippers are fully in alignment, and in which we can work together to garner support for the required international efforts and intervention to eradicate this threat on today's open seas.

It is time that cargo owners add their voice and support to these efforts to eradicate this menace to our world's ship owners, seafarers and commercial interests. Individual companies as well as trade associations representing the interests of cargo owners should clearly state their full support of the efforts being made to confront the risks that piracy poses to the world's seafarers, vessels and water-borne cargo.

We must implore our governments to recognize the threat that piracy in the Gulf of Aden, Arabian Sea and the wider Indian Ocean off the East African coast poses to the world's seafarers and vessels as well as the water-borne cargo owned or controlled by the community of shippers. We should all support the ICC's recent "Call for Action on Piracy" and implore our own governments to immediately act within the international community to:

- a) Improve the Rules of Engagement given to naval vessels in the areas of most risks, focus on locating, shadowing and disrupting the operation of motherships in order to reduce the operating scope of the pirates, and continue to support or increase the number of naval vessels on anti-piracy operations in the area;
- b) Refocus the efforts of the United Nations and other international bodies to ensure that infrastructures are built in south central Somalia to prevent that part of the country from being exploited by criminals and pirates;
- c) Ensure that piracy suspects are swiftly brought to justice and not sent back to Somalia without being held accountable for their crimes.

We can also educate ourselves by visiting the web sites of the several organizations aggressively addressing this issue and reading through their statements on piracy.

• International Chamber of Commerce www.iccwbo.org

- Global Shippers Forum www.globalshipperforum.org
- World Shipping Council www.worldshipping.org
- Safe our Seafarers www.saveourseafarers.org

As shippers actively engage in this region of the world, we must be very concerned about these dangers and the risks posed to our shipments, our carriers and their crews with whom we are partners in the supply chain. While we may not be able to directly affect the security situation ourselves, making sure our nation's political and business leaders understand this very real threat to our supply chain is at least a positive contribution that we can in fact make toward a solution to this intractable problem.

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