



# GLOBAL MARITIME SECURITY REVIEW 2019



**REVIEW AND ANALYSIS OF MARITIME SECURITY  
EVENTS AND IMPLICATIONS FOR THE YEARS AHEAD**

## THE VIEW FROM DRYAD GLOBAL

### Maritime Security Through Intelligence



The security situation in the maritime world has seen considerable shifts during 2019, and we at Dryad Global have been at the forefront of intelligence support; providing vital near real-time assessments and analysis that has enabled our clients to make vital commercial decisions against a background of ever changing circumstances.

The year has again shown how important it was to understand both the complexity of the maritime domain and how events within the geopolitical sphere can have profound impacts in all areas; it is vital to have a team that can bring real life-experience and expertise to the analysis of both.

Throughout 2019 Dryad Global were cited repeatedly in the international and trade press and by doing so we put ourselves at the forefront in leading the narratives that have shaped the maritime security domain. We pride ourselves on not only providing market-leading analysis but also on being a voice of moderation. We offer measured analysis and reason in what can sometimes become a confusing world of competing information sources.

As a customer, you will have seen significant changes in how we operate over the last 12 months, and the coming year is a very exciting time for us as we look to roll-out a host of new developments that continue to enhance our analysis and offer our clients the very best intelligence upon which to make decisions.

Phil Diacon

## MARITIME SECURITY 2019

Piracy (maritime crime) will be with us as long as we operate on water, though are the risk premiums in the Indian Ocean justified any more?

2020 certainly started in a dramatic way and it is the nature of our business that the story moves on the moment you capture it. Escalation and subsequent de-escalation of tension with Iran and tensions within Libya have already filled the first few weeks of 2020. Events leading up to this latest iteration are captured in this report. At the time of writing, of course, we cannot predict exactly the next step, but it is a validation to our clients that our recommendations were correct for the scenarios.

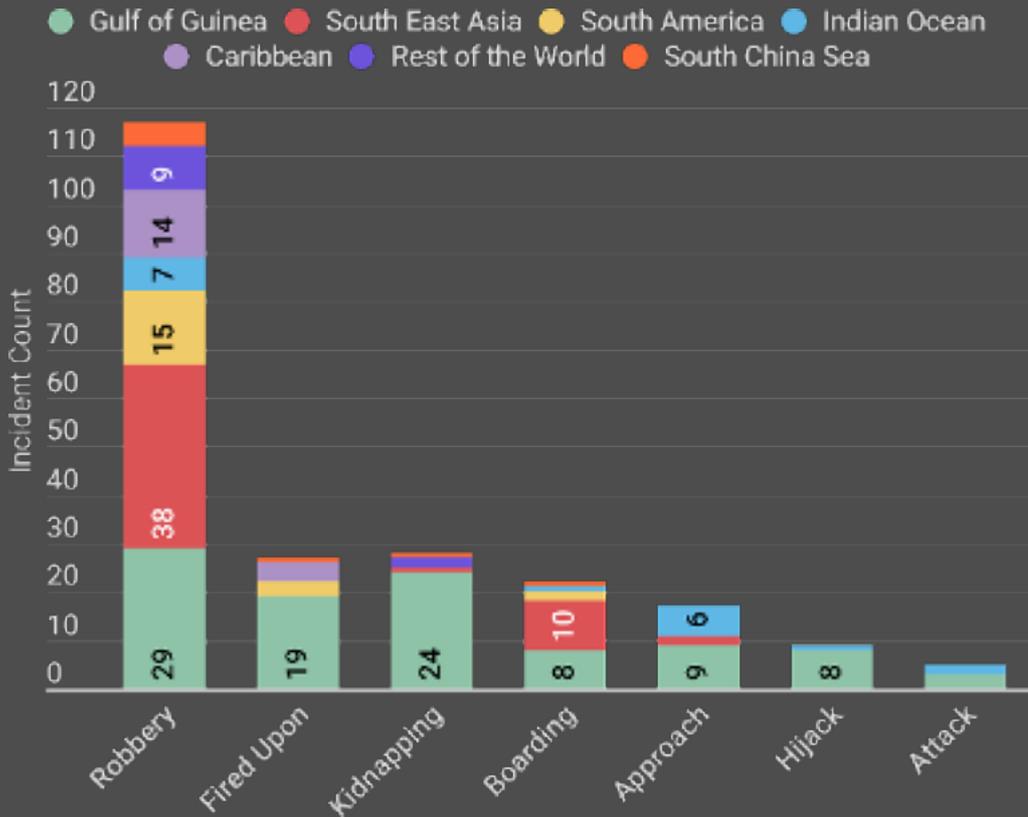
In this annual report we provide an overview of events in the five main areas of greatest significance to maritime security in 2019. We address the trends in context to the environment and provide a narrative of what this means to our sector.

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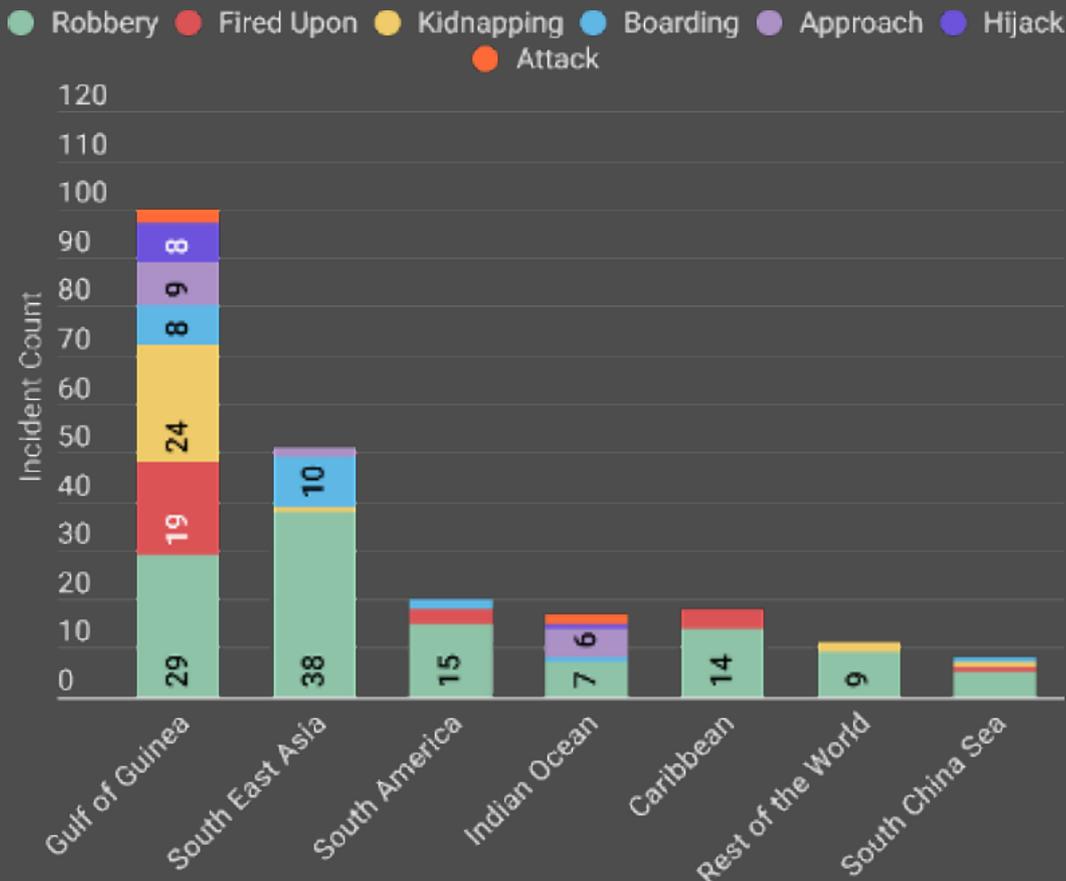
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# 2019 IN NUMBERS

## INCIDENTS BY CATEGORY



## INCIDENTS BY REGION



**Robbery** remains the most common maritime crime threat with 47% of all centrally reported maritime crime globally.

Despite commanding the largest premiums and associated costs of armed guards, the **Indian Ocean** ranks **fourth** in maritime crime incidents with **less than one fifth of incidents** of the most active; West Africa.

In 2019 **West Africa** was the **most dangerous** commercial maritime operating environment with the greatest number and type of incidents.

# THE INDIAN OCEAN; AN EVOLVING THREAT TO SHIPPING

## IS THIS THE YEAR INDIAN OCEAN PIRACY DIED?

The Yemen civil war has continued unabated during 2019, with most of the fighting focused on Hodeidah and Aden. Hodeidah remains the focal point of the Saudi-led coalitions ongoing conflict with Iranian-sponsored Houthi rebels. Amidst intense fighting, the conflict has sparked one of the most severe humanitarian crises of recent times, and access to working infrastructure, food, water and shelter is increasingly scarce within Yemen. The severity of the conflict has also hampered efforts by humanitarian relief agencies. Consequently there has been a significant increase in the volume of Red Sea migration, as people seek to flee war torn areas.

The enduring Yemen conflict (despite last year's much touted Stockholm

**"...significant increase in the volume of Red Sea migration, as people seek to flee war torn areas..."**

Agreement, which was believed to have provided a political framework to shape Yemen's future) served to highlight the complexity of the conflict and the inability of international actors, such as the UN to shape events in the region. On a domestic level, the officially recognised government of Yemen is in the process of brokering a power sharing agreement with the breakaway Southern Transitional Council (STC). It is likely that the Yemeni government intends to reduce the number of fronts it is operating on so it can free up assets to conduct operations against Houthi rebels in Hodeidah. Given there have been several false dawns during the Yemen conflict, concrete predictions regarding the course of the war into 2020 are difficult to make. It is likely that the Yemeni government will pursue

a political settlement with the STC. Yet it remains unclear whether there will be a breakthrough in the conflict with Houthis around Hodeidah. A continuation of the current attrition and

**"...Security intrinsically linked to proxy war in the region..."**

stalemate is likely.

Despite the prolonged nature of the conflict on land, waters off the coast of Yemen have remained relatively stable. However, the Bab-El-Mandeb Strait, a chokepoint for commercial shipping, has seen several incidents, including 11 Oct 19 and 17 Nov 19. As these incidents attest, this area presents the highest risk to commercial shipping in the region. The dynamics of maritime security in the region are intrinsically linked to the ongoing proxy war between Iran and Saudi Arabia in Yemen. Yemen is an area where Iran, via the Houthis, is confident of projecting power. As such the principal risk to shipping in the region is to Saudi flagged vessels and the corresponding risk to international shipping is often overstated.

Looking towards 2020 it is clear that the Bab-El-Mandeb Strait will, alongside the Strait of Hormuz, remain the two key chokepoints for the flow of trade in the region, where rival powers may seek to demonstrate influence.

The Bab-El-Mandeb Strait will likely continue to be a lower risk area than the Strait of Hormuz, however as with other regional areas, Saudi-flagged vessels will remain at an increased risk.

 Robbery

+40% 

 Attack

-78% 

 Boarding

-33% 

 Fired upon

-90% 

 Approach

-57% 

 Kidnap

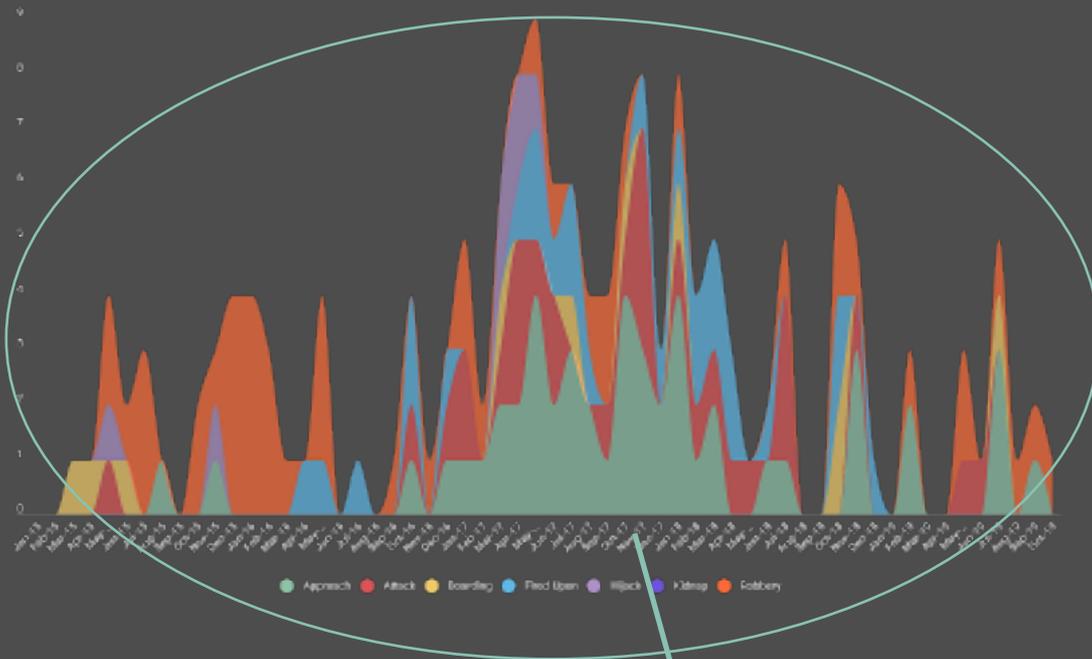
NIL 

 Hijack

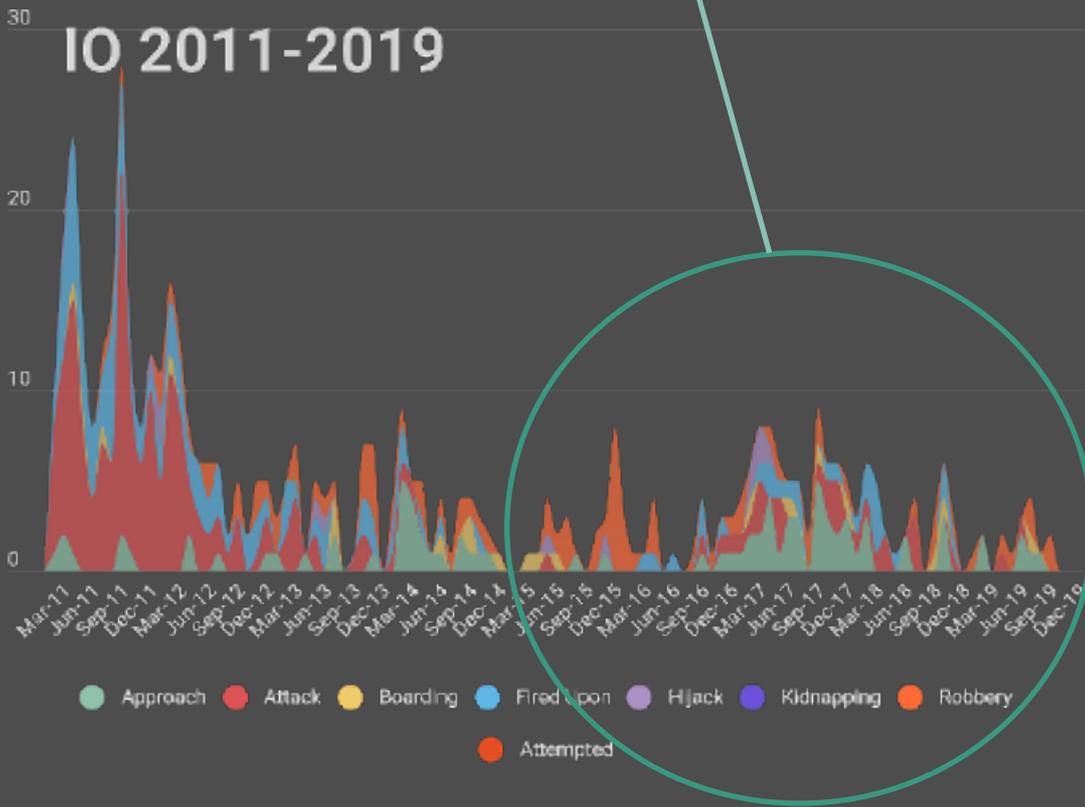
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## IO MARITIME CRIME INCIDENTS

Indian Ocean 2015-2019



IO 2011-2019



## IO MARITIME CRIME

### Huge Fall in traditional maritime crime

Excluding geo-political events, in the 2019 reporting period the Indian Ocean has seen a **73%** fall in maritime security incidents compared to 2018 and a **83%** fall compared to 2017.

### the long view ...

Overall maritime security incidents in the 2019 reporting period are **95%** lower than in 2011.

### Rise of state actor

In the reporting period there have been 19 incidents of which 40% were state-backed actions (non-traditional maritime crime) within the busiest sea lanes in the world.

IRAN

Iran has been subject to significant internal and external pressures throughout 2019. Iran has also been active in projecting power across the region. Facing a US oil embargo and economic and political sanctions, the Iranian economy has suffered significantly and prompted frequent large-scale protests. Seeking a geopolitical response, Iran has episodically sought to indicate that it can influence the flow of trade and oil within the region, in an effort to provide itself with leverage against the

Unconventional proxy war against its main regional rival

US. The course of 2019 would also suggest that Iran is stepping up its hostility towards Saudi Arabia, its primary regional rival, via an increasingly asymmetric and unconventional war executed mainly through proxies.

Several events in mid-2019 point to Iran seeking to demonstrate its capabilities to influence and disrupt the global oil trade. Following a fourth round of sanctions applied by the US in June the Iranian-flagged tanker Grace 1 was detained by British forces off the coast of Gibraltar. The seizing of the Grace 1, although it occurred in the Mediterranean, can be seen as the catalyst for a summer of escalating tensions, which saw reciprocal attacks and detentions of vessels within the Persian Gulf; the highest profile of which was the

2018

8 May - US Withdraws from JCPOA Nuclear Deal

8 Apr - US designate IRGC as a Terrorist organisation

5 May - US Carrier Strike Group Deployment

12 May - 4 Commercial Vessels 'Sabotaged' at Fujairah Anchorage



19 May - Rocket Lands Near US Embassy in Baghdad

17 June - US Deploys 1000 troops to Middle East

25 June - Fourth Round of Sanctions

7 Aug - US announces first round of sanctions

5 Nov 19 - US announces second round of sanctions

2019

8 May - Third Round of Sanctions

14 May - Houthi Rebels Attack Major Saudi Oil Pipeline

13 June - Japanese and Norwegian Tankers Attacked in Gulf of Oman

20 June - US Drone Shot Down Over Iran

1 July - Iran Exceeds Agreed Uranium Limit



4 July - Iranian Tanker  
Grace 1 Detained by UK  
Forces in Gibraltar



25 July - UK Royal Navy  
Announce Intention to Escort  
all UK Flagged Vessels in  
Persian Gulf



15 Aug Grace 1 Released  
from Detention

7 Sept - Iran Increases  
Stockpile of Enriched  
Uranium

11 Oct - Iran Reports Vessel  
Struck By Projectiles in Red  
Sea Of Saudi Coast



17 Nov - Houthi Rebels  
Hijack Saudi Tug Vessel  
15nm from Yemen Coast

19 July - UK  
Flagged Stena  
Impero detained by  
IRGC(N) within  
Persian Gulf



1 Aug - Fifth Round of  
Sanctions

4 Sept - US Blacklist  
Shipping Network  
Alleged to be  
Directed by IRGC

14 Sept - Iran  
Reject Acusations  
of Responsibility  
Over Aramco  
Abqaiq Attack



6 Nov - Iran Sends  
Warning to International  
Shipping Claiming Red  
Sea Not Safe

cont....

detention of the british-flagged Stena Impero. Hard on the ground kinetic activity escalated in September when the Saudi Aramco facility in Abqaiq was attacked in a coordinated multiple drone strike. Iran has been heavily implicated as the aggressor in this attack, an accusation which the Iranians have denied.

In the final weeks of 2019, the maritime security situation in the Indian Ocean and Persian Gulf stabilised following a notably volatile year. The

**following a notably volatile year the maritime security situation has stabilised**

Yemen conflict will likely continue into 2020 and this may contribute to episodic events in the Bab-El-Mandeb Strait. Operational stability and security affecting commercial shipping in the region will largely depend upon the future direction of US-Iranian relations. During an upcoming election cycle, it is likely that the Trump administration will not have the operating capacity, or indeed the will, to adopt as strong a posture within the region as has been seen previously. Simultaneously, seeking an external threat to engender voters or a 'significant' foreign policy victory, could embolden Trump to escalate sanctions on Iran. A conclusion to be drawn is; the more that Trump is likely to secure a 2nd term, the less likely he is to seek to escalate tensions in the Persian Gulf. Although the probability of direct military action remains remote, events in 2019 would suggest that further similar maritime and



land-based incidents are a distinct possibility. When assessing the risk to commercial shipping in the Persian Gulf and Indian Ocean region, context remains key. Despite surges in insurance premiums for operating in the region, the majority of shipping which passes through the choke points of the Bab-El-Mandeb Strait or the Strait of Hormuz has encountered no incidents this year, and the heightened risk remains firmly directed at Saudi-flagged vessels.



**"Saudi Flagged Vessels remain most at risk"**



## THE INDIAN OCEAN HRA - A LEGACY CONSTRUCT ?

The reduction of the Indian Ocean High Risk Area (HRA) on 1 May 2019 was a significant event. This was the second reduction of the HRA and the first since October 2015. Set against the backdrop of a considerable and dramatic downturn in traditional maritime incidents, and a rapidly diminishing threat of piracy within the Indian Ocean, the ongoing legitimacy of the HRA remains debatable.

Without question, the implementation of the HRA led to a coordinated and effective response to the problem of Indian Ocean piracy. Measures adopted include the use of Best Management Practice (BMP), military escorts for vessels, and private military contractors. However, it is equally important to note that the creation of the HRA has led to a number of unintended consequences for littoral states and the wider shipping market.

Following the definition of the HRA within BMP3 in June 2010, and the subsequent extension of the Joint War Risks Committee (JWRC) designated area to the Western Coast of India in December 2010, the whole of the

**"...an unfair encroachment into states' EEZs..."**

Indian Ocean, including significant trading areas along India's west coast, Africa's east coast and key southern and western Gulf States, was brought into an exclusion zone that significantly increased shipping

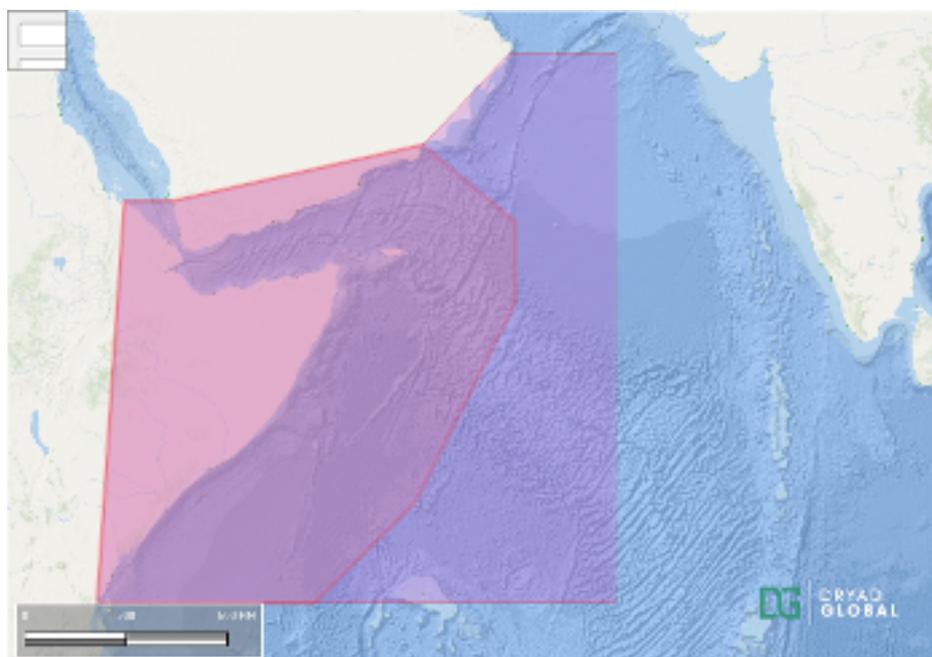
costs.

Many of these states, whilst understanding the need to combat piracy within the Indian Ocean, felt that the limits of the HRA were an unfair encroachment into their EEZ. Additionally, the extension meant that these areas were now excluded from the annual war risk cover, with underwriters

the boundaries of the HRA 2012. In a 2012 UN Security Council statement, the UNSC "notes the

**"...war risk premiums trickle down and become an end-user tax..."**

request of some Member States



demanding additional premiums from ship-owners and operators to provide insurance cover. The shipping industry adds this extra premium onto freight and it is eventually passed to consumers. This is a significant financial burden for the Export-Import (EXIM) trade of neighbouring states and the consumer.

The additional economic burden imposed as a result of the wide ranging HRA has meant that Egypt and India, backed by Saudi Arabia and the League of Arab States, sought a redefinition of

on the need to review the boundaries of the High Risk Area on an objective and transparent basis taking into account actual incidents of piracy, noting that the high risk area is set and defined by the insurance and maritime industry".

The unintended consequences arising out of the HRA had gained wider attention. A particular focus was the new understanding of the need to define 'actual incidents of piracy' and the role of the insurance and maritime sector in defining areas, as opposed to

states themselves. In October 2015, the economies of Egypt, India and Saudi Arabia benefited from the lifting of the onerous insurance premiums associated with trading within the HRA; it would be another 3 years before a second such review took place.

The latest reduction in HRA size will be welcomed by global fleet owners and states previously impacted by significant EXIM costs. The latest reduction will

### **91% fall in incidents since 2012 on annual basis**

additionally reduce the burden on trade and consumers for northern Indian Ocean states, as a result of reduced insurance premiums and consequently lower freight costs. It could, however, be argued that the most recent reduction does not fully represent an accurate appraisal of current maritime risk trends within the Indian Ocean.

Analysis of current and longer-term maritime security trends within the Indian Ocean tell a stark story; one that it is hard to reconcile with the current geographical definition and associated economic burden of operations within the HRA. At the height of Indian Ocean piracy in 2011, there were 234 attacks. The nature of these attacks covered the full spectrum of maritime crime, including incidents involving weapons, the hijack of vessels and crews being kidnapped for ransom.

Yet since 2012 there has been a 91% fall in incidents and 70% fewer incidents since 2017. Within 2019, there were 16

maritime incidents in the Indian Ocean, 11 of which outside the HRA. Additionally, 7 of these 11 incidents were geopolitical in nature and thus unlikely to be mitigated by BMP guidelines. Four of the incidents occurred within ports.

Within the redefined HRA itself there were 5 incidents, which represents a drop of 84% when compared to 2018; all of these incidents were classified as suspicious approaches and were not confirmed as maritime security incidents.

Contributory factors to the surge in Indian Ocean piracy were systemic influences emanating from East Africa; principally, the failure of Somalia as a functioning state, and the subsequent exploitation of its territorial waters by outside parties. The view that Somalia still represents a viable risk that

### **blanket insurance premiums do not reflect the real risks and are based on threat for which there is little evidence**

may precipitate a return to widespread piracy fundamentally misunderstands the complexity of risk and the forces that gave rise to piracy in the Indian Ocean.

With the economic impact of the HRA being felt at state and market level, it is vital that the process of demarcation and definition of the area is subject to continuous and robust review. Dryad assesses that this has not been the case. The observed decline in the number of maritime incidents in the Indian Ocean suggests a clear pattern where the risk to maritime

operators in the Indian Ocean is being misrepresented, and the associated costs not commensurate with the actual risks to vessels. It is Dryad's view that there is a need to accurately interpret and understand the true nature of risk in the region.

The reduction of the HRA precipitated resistance from entities that benefit from it, with objections based on the premise that the risks to shipping remain. This assertion represents the status-quo which should be challenged along with the costs associated with premiums and armed guard placements. The Maritime industry can operate in the Indian Ocean with security and reduced cost by continuing the positive trend of effective implementation of BMP supported by investment in multi-national coordination of naval assets and capacity building of littoral states.

Security environments change, which is why it is essential that they are monitored continuously. The specialism required to do this well is not easily grown within organisations and is costly which is why we believe that security advice has to be high quality and impartial.

Dryad has created its processes by leveraging decades of experience gained in the intelligence and maritime industry and we do constantly affirm our neutral position.

We believe it is far better to define the risk individually than apply the same risk profile to all operations and have to bear the costs associated with slow-to-evolve or legacy risk and insurance premium models.

# WE ARE TRUSTED BY THE LARGEST GLOBAL SHIPPING OPERATORS - SO CAN YOU.

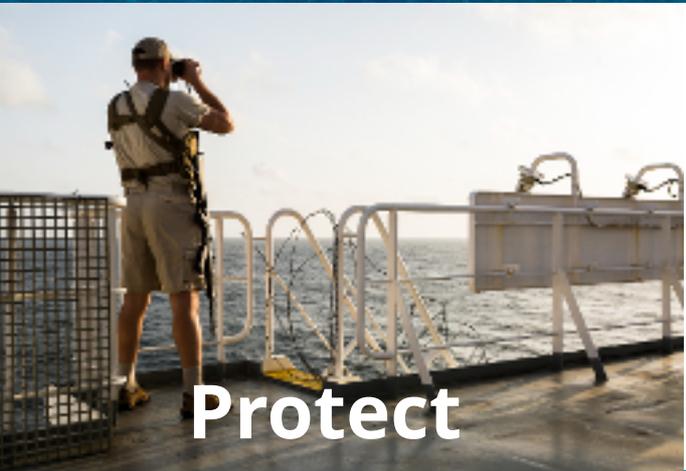


## What can Dryad Global do for you?

- Transit Risk** - exposure and what to do about it
- Access** - Port and country decision tools
- Trading** - Decision support
- Reporting** - Incident reporting and analysis.



## Risk Intelligence



## Protect

- Armed Guard Brokerage**- Vetted suppliers
- Reduce cost** - Competitive blind bids ensures best cost options
- Impartial** - No vested interest
- Approved** -ITM, Exxon, Shell suppliers

# What repeatable and consistent security analysis process do you have in place?

**Data-led : World-leading performance and analysis built on solid foundations**

**Trade with clarity, win at business**



## Cyber

**Pre-Emptive Defence** - monitoring of open and dark web for your company specific risks

**Audit and Implementation**- Understand and mitigate your risk

**Emergency Response Planning**

**Corporate** - Maritime Domain Awareness

**Training** - specialist analytical

**Technical Development**

**Capacity Building** - Process design and implementation

**Corporate**

**Government**



# WEST AFRICA

## THE RANSOM BUSINESS

The confluence of oil wealth and weak governance has led to the conditions that now see West Africa as the global epicenter of violent maritime crime. While piracy in West Africa has fallen in line with a wider global downturn, the narrative that surrounds maritime security in West Africa is complex and often leads to difficulties when assessing current events and making forward projections.

Piracy in West Africa remains centered on Nigeria and indeed any progress that is to be made towards a resolution in the region must originate here. Despite the anti-graft legislation and

law enforcement and convoluted bureaucracy has led to a lack of formal structures and resources to deal with the soaring crime rate. Traditionally Nigeria has taken a 'land first' approach to securing trade networks, albeit with limited resources,

**..security in West Africa is complex and often leads to difficulty when assessing current events ....**

and despite 90% of Nigerian imports and exports moving by sea. The Niger Delta is the focal point of West African maritime crime. The presence of global

have created a climate where piratical groups within the region calculate that kidnapping is a preferable option in terms of activities to conduct within the area,

**..Niger Delta is the focal point of maritime crime....**

as opposed to robbery. This realistically could explain the recent rise in kidnappings within the last 18 months, and is likely driven by a rational cost/benefit analysis of the risks piratical groups face. Piratical groups may have inferred that a high risk/high reward activity such as kidnapping is a more prudent use of assets in a policed area, as opposed to a robbery which may pose the same level of risk but

**Benin announced mandatory embarkation of armed guards**

without the same level of reward.

Beyond Nigerian waters, West African piracy has seen a number of notable incidents and trends. At the time of publishing, 13 attacks occurred within the waters of Togo and Benin and 11 within the waters off Cameroon. The latter represents an

pro-business efforts of President Bouhari, endemic corruption and widespread

**.....endemic corruption ....**

unemployment continue to blight Nigeria. Weak



### LAST 12 MONTHS

 **Robbery**

- 24% 

 **Attack**

-42% 

 **Boarding**

-33% 

 **Fired upon**

-20% 

 **Approach**

-35% 

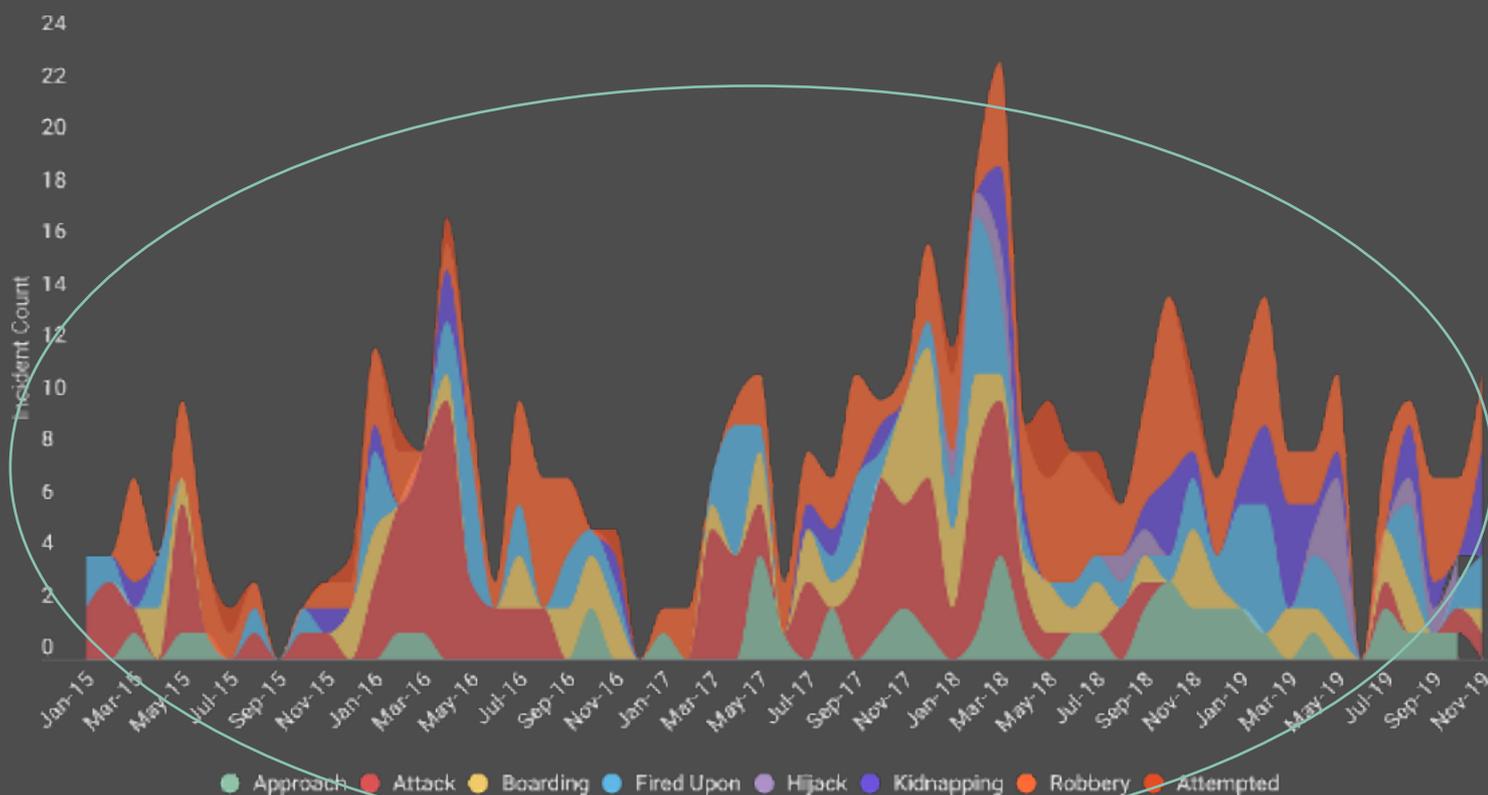
 **Kidnap**

+75% 

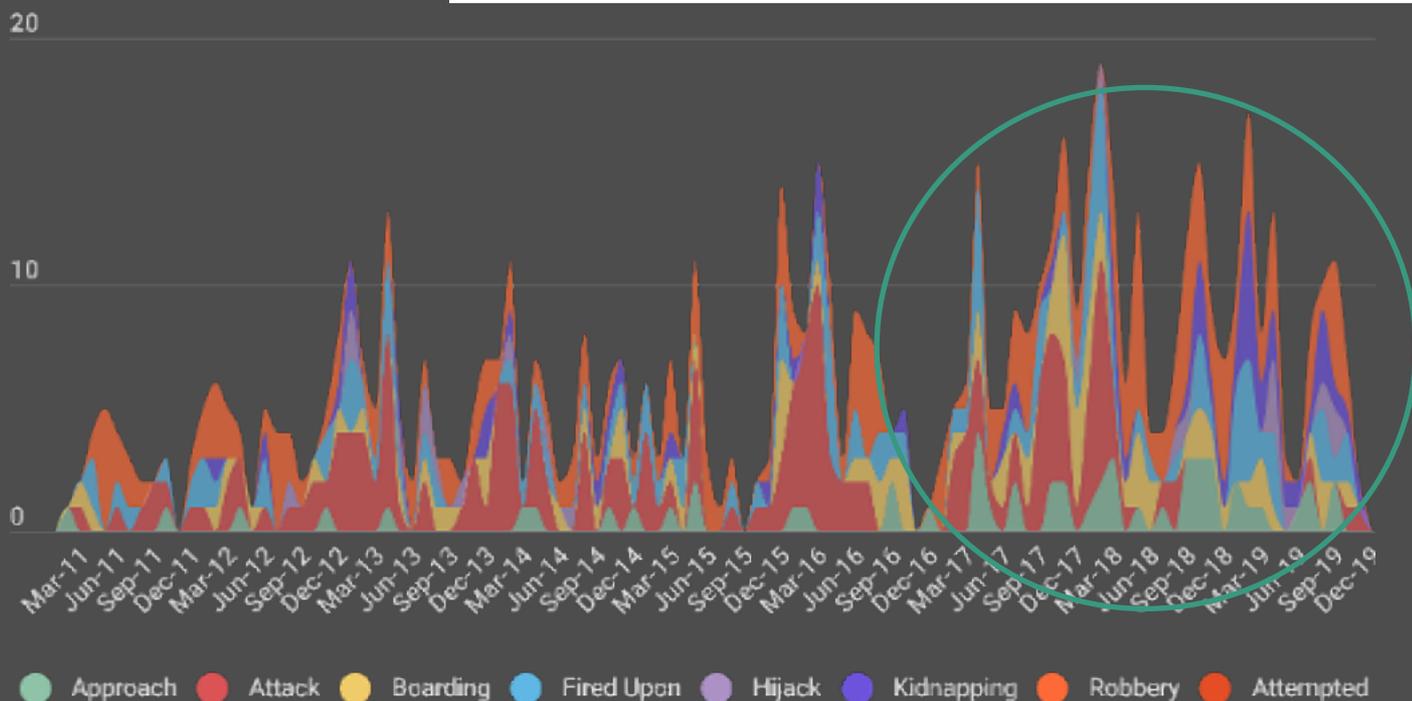
 **Hijack**

8 count (+166%) 

### WEST AFRICA MARITIME CRIME INCIDENTS 2015-2019



### WEST AFRICA MARITIME CRIME INCIDENTS 2011-2019



cont....

83% increase on incidents from 2018 and has led to Cameroonian waters being designated as the fourth most affected by maritime crime after Nigeria, Indonesia and Malaysia. Preventative anti-piracy measures taken by the governments of these countries include Benin, which announced in November that it was mandatory to embark state guards when calling at Cotonou Port. Additionally, the government of Cameroon announced in September 2019 that they would provide, free of charge, embarked naval personnel as security on all vessels calling at Douala Port. Governments from beyond the region have also announced measures, which indicates heightened international concern about the maritime security environment throughout West African waters. Following the kidnapping of 45 Indian personnel in three separate incidents in 2018, India announced in June 2019 that it would ban all Indian nationals from serving as mariners within the region.

### Regional co-ordinated response

The fall in maritime security incidents in the region can be partly attributed to several regional coordinated responses and legislative frameworks that have been implemented in West Africa. At present, the Djibouti Code of Conduct (DCoC), the African Union's Lomé Charter, and the Yaoundé Code of Conduct, function as the basic structures for anti-piracy efforts across Africa. Additionally, in 2019, Nigeria took tangible steps towards more formalised mechanisms of support and coordination. These include the

## WEST AFRICA

In 2019 **kidnappings** formed almost one quarter of all maritime security events (**23%**) throughout West Africa. Robberies still accounted for one third.

In 2019 over 50% of incidents occurred within the **Nigerian EEZ**

Overall incidents in 2019 are **22% lower** than 2018 although there have been notable **localised increases** outside the Nigerian EEZ within the waters of Cameroon and Togo.

Since Aug 18 Kidnappings have **increased in frequency**, localised in waters of Lome, Duala and in the area west of Bioko Island.

cont....

'Suppression of Piracy and other Maritime Offences Bill' and the Nigerian 'Deep Blue' project however both of which are yet to ascend into codified legislation. The 'Suppression of Piracy and other Maritime Offences Bill', signed on 24 June 19, sees Nigeria become the first state in West Africa to introduce a standalone law to specifically fight piracy. The bill also fulfils the international requirement for specific legislation against piracy set by the IMO. From a legal perspective, the bill introduces legal terminology and measures for the prosecution of maritime crimes. The bill also grants increased powers to seize vessels or other vehicles used to conduct maritime crimes. The Nigerian Navy has also announced that they intend to use specifically established 'maritime courts', in the hope this will expedite the prosecution of maritime crimes.

### NIMASA Deep Blue Project

Another significant and tangible step towards increased security throughout Nigerian waters is the advancement of the Nigerian Maritime Administration Support Agencies (NIMASA) 'Deep Blue' project, which aims to implement integrated surveillance and security architecture to address maritime crime. In August 2019, NIMASA established its first command and control centre in Lagos. The centre will serve as the base for situational intelligence for the Deep Blue Project. As well as these additional organisational frameworks, Nigeria has increased the hardware at its disposal to combat maritime crime. This included the purchase of helicopters, Damen FCS 3307 Patrol vessels and



speedboats from the Israeli security firm, HLSI Security Systems and Technologies Ltd. HLSI are also contracted to provide training and mentoring to the Nigerian Navy and Maritime Police, as part of the agreement.

NIMASA continues to partner with the Nigerian private maritime security firm Ocean Marine Solutions (OMS), which provides resources to the Nigerian Navy in the form of vessels and offshore craft, whilst also administering the Lagos Secure Anchorage Area (SAA). Although future security arrangements in Lagos SAA are uncertain, due to a legal challenge following a decision by the Nigerian Ports Authority (NPA) to withdraw consent for OMS to provide commercial services to vessels bound for Lagos.

### Security Conference

The 2019 Global Maritime Security Conference in Abuja in September, heralded several key commitments

from regional states and international partners to prioritise maritime security throughout the region. Pledges towards enhanced cooperation between naval forces and coastguards and capacity building initiatives from international partners were forthcoming. Yet the prospect of a collectivised regional response to maritime security across West Africa in the near future appears unlikely. Indeed, while Nigeria has shown signs of effectiveness in dealing with its MARSEC problems, as evidenced by the downturn in incidents, the same progress has yet to be mirrored in neighbouring states. In the short-to-medium term, Nigeria is expected to continue to be the epicentre of West African piracy, however the downward trajectory of incidents is expected to continue. This is likely to have a squeezing effect on neighbouring states, forcing piracy into increasingly permissible areas, and without reciprocal investment and commitment to resolving MARSEC issues, a steady increase in incidents is anticipated.

## LIBYA

### CAN STABILITY CONTINUE?

2019 in Libya began with much promise; although the ongoing political tensions and divisions remained unsolved, there remained a sense that 2019 would be the year when the much discussed national elections would finally take place. However, following a Libyan National Army (LNA) assault on Tripoli,

the El Sharara oilfield at the beginning of 2019, and subsequent cut in its output, did not suggest the stability that has since emerged towards year end.

These breaches were largely driven by ongoing disputes between protesting workers and Libya's National Oil Corporation (NOC). Whilst



any sense of a political resolution has been delayed, perhaps indefinitely. On the face of things, this paints a bleak security and economic picture for Libya but when compared to 2018 there has been a reduction in the targeting of Libyan oil infrastructure. Whilst the overall risk on land during 2019 has increased, it is also clear that the economic opportunities available, and stability of Libya, has consolidated.

The multiple breaches at

nationwide industrial disputes in Libya's oil sector do still persist, an increased level of funding for the NOC from Libya's Government of National Accord (GNA) has reduced the likelihood of further industrial disputes. However, the risk of further shortages due to industrial disputes in 2020 should not be discounted.



### MIGRATION

Migration has been less of a security theme within Libya in 2019 than in 2018. Overall there has been a decrease in migrant crossings in 2019 but levels remain higher than pre-migrant crisis norms. Furthermore, numbers of attempted migrant crossings have tended not to reduce as the summer months end, as has been the case in previous years. This trend is likely driven by the ongoing conflict in Tripoli, which is driving migrants to seek refuge from the fighting by attempting to cross the Mediterranean. The current risk of migrant vessels posing an obstruction to commercial vessels within Libyan waters will likely continue into 2020. Commercial vessels are likely to continue to be required to assist migrant vessels, in part due to the winding down of the EU administered Operation SOPHIA, which has been providing humanitarian assistance in Libyan waters. Crucially Germany suspended its participation in this operation in January 2019.

## LIBYA

### EXTERNAL INFLUENCES

When the LNA began their long awaited assault on Tripoli in 2019 the leader of the LNA, General Haftar, described it as a ‘decisive’ campaign where the LNA would finally gain control. Instead, the LNA has created a conflict which has since stagnated and is becoming a protracted and bloody civil war centred on the west of the nation. Whilst no foreign nation has sought to decisively intervene physically on the ground in Libya, Russia and Turkey have both increased their material support for the LNA and GNA respectively. Airstrikes upon Misurata and Sirte have also increased, and the threat of indirect fire impacting personnel and vessels in Tripoli, Misurata and Sirte has increased during 2019. Tripoli’s Mitiga International Airport has been a focal point of attacks, suffering repeated LNA airstrikes, and was closed for a number of months until early November.



### PORT SECURITY

Whilst it is relevant to discuss these ongoing events within Libya, it should be stressed that the impact of the LNA offensive on port areas, commercial vessels or oil infrastructure has been minimal throughout 2019. The most notable incident occurred in June, when LNA vessels and personnel were seen taking more overt control of the Ras Lanuf terminal. If we contrast the activities of 2019 with the summer of 2018, where Libya’s oil crescent infrastructure were damaged, then Libya’s oil infrastructure is now in a more secure position.

Looking towards 2020, the security situation of Libyan oil infrastructure depends upon the outcome of the LNA conflict in Tripoli. The risk of this conflict spreading and resulting in the damage of oil infrastructure remains possible. The targeting of oil infrastructure by either side could be part of a strategy to deprive the other side of income streams, but the outcome would only be a pyrrhic victory. The role of the NOC will be important as it has managed to engage with both the GNA and LNA throughout 2018, and it is a realistic possibility this balancing act will continue during 2020.

### LAST 12 MONTHS

The maritime security picture in South-East Asia is a complex interplay of prolific low-level maritime crime, juxtaposed against significant regional geopolitical challenges. Until recently, South-East Asia was the global epicentre of piracy and maritime crime; a 'title' that has recently been claimed by West Africa thanks to a surge in incidents in the Gulf of Guinea. The overall trend throughout South-East Asia mirrors the global downturn of maritime security incidents: there has been an average 5yr fall in overall incidents of almost 80% and a yearly fall in 2019 of over 15% when compared with 2018. Despite this, there remains a high level of traditional maritime security incidents, covering the full spectrum of incident types, including hijackings and kidnap-for-ransom, down to boarding motivated by minor theft.

Incidents of kidnap and hijack have been some of the more dramatic features of the decline in maritime security

**"highly complex maritime security picture"**

incidents in South-East Asia, albeit with a slight resurgence in 2019. Between November 2016 and September 2018

there were no recorded kidnapping incidents. This lull can be partly attributed to the death of the former leader of IS in th Philippines, Isnilon Hapilon, who died during the five-month Marawi Siege in 2017. The number of kidnappings in the Sulu Sea reached a 10-year peak prior to the Marawi Siege in

80% fall in crime over 5 years

2017. Hapilon's demise, it appears, initially rendered terrorist networks in the region, including the Islamic terrorist group, Abu Sayyaf, rudderless and with no obvious leadership successor. The resurgence of kidnap for ransom activities since September 2018 may indicate a desire to raise funds for future terrorist campaigns. Terrorist elements in the Sulu archipelago appear to have regrouped more recently, as evidenced by the 6 kidnappings, 4 suicide attacks, and over 30 armed clashes between militants and state security forces in the past 12 months. The re-establishment of terrorist activities in the Sulu archipelago has coincided with Hajan Sawadjaan's rise to power as the potential leader of IS in Philippines.

 Robbery

-36% 

 Attack

-100% 

 Boarding

+15% 

 Fired upon

-100% 

 Approach

-33% 

 Kidnap

1\* 

 Hijack

### OVERSPILL FROM THE MIDDLE EAST

As Islamic terrorism faces a significant reduction in its traditional Middle East heartland, there has been an influx in foreign fighters to the Philippines and Indonesia. In response the Philippine President Rodrigo Duterte, and his Indonesian counterpart President, Joko Widodo, have invested heavily in regional, transnational maritime domain awareness mechanisms and on-shore counter terrorist capability. Maritime frameworks such as the Trilateral

Cooperative Agreement (TCA), formalised in 2017, resulted in joint maritime and air patrols, as well as coordination between maritime command centres in the Philippines, Indonesia, and Malaysia. Within the Philippines, the creation of the National Coastal Watch System (NCWS) has also negatively impacted the ability of groups like Abu Sayyaf to conduct maritime terrorism. The NCWS has strengthened informed decision-making

## SOUTH EAST ASIA

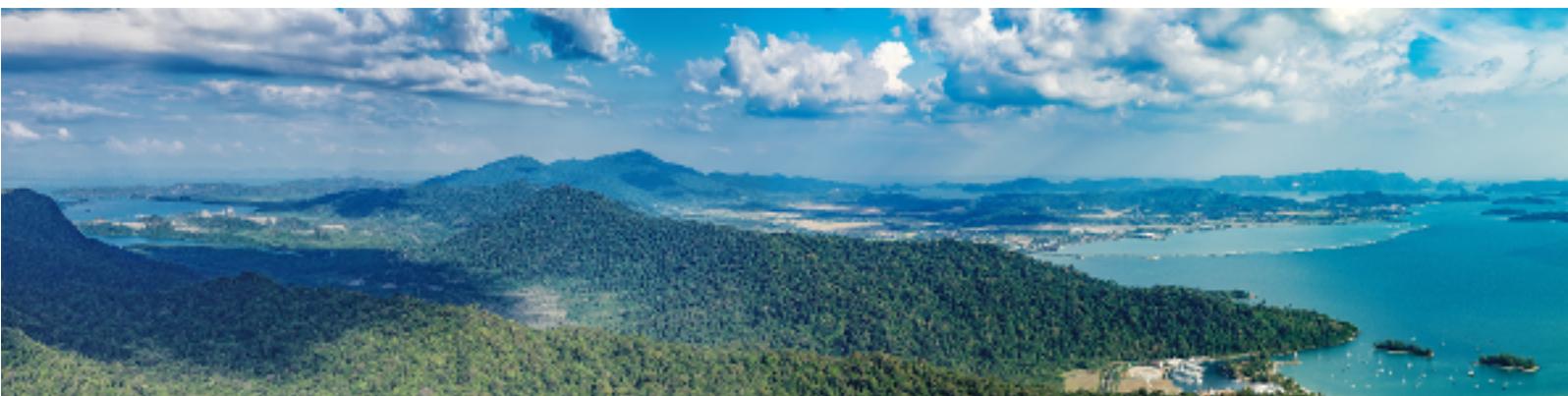
and maritime domain awareness by institutionalising intelligence-sharing mechanisms between several agencies including the Philippine Navy, Philippine Coast Guard (PCG), the Bureau of Fisheries and Aquatic Resources, the National Anti-Terrorism Task Force and the Philippine Ports Authority. When fully implemented, this

anchorage of most states and particularly through the key maritime choke points such as the Malacca Straits. Indeed in late 2019 there has been a sudden spike in reports of ships begin targeted in the western reaches of the Singapore Strait Traffic Separation Scheme (STS). South East Asia faces significant regional impediments

abundant fishing resources, and the possibility of extracting

### China has claimed territory

sub-sea reserves of crude oil and natural gas. China has claimed the largest portion of territory via its controversial '9 dash line' strategy, which has



integrated system will have 20 offshore platforms, mostly centred on the Sulu and Celebes Seas, and will be equipped with surveillance and interdiction capabilities. The PCG is expanding its maritime capacity

### Co-ordination between regional maritime command centres

by constructing 21 more substations and three provincial stations. Additionally, it has increased its floating assets with fast response boats procured from France and Medium Range Interdiction Vessels from Japan and has reportedly increased the deployment of its personnel to the tri-border area by 200 percent.

Beyond the scope of maritime terrorism, low level maritime crime remains an ongoing feature of south east Asian maritime security. Boardings for petty theft occur within the territorial waters and

to the securitisation of its maritime domain. Lingering unresolved maritime issues, such as competing claims in the South China Sea, have long posed limits to cooperation. In addition the huge mismatch in naval assets and maritime areas that various states must patrol also continues to pose resource and logistical challenges.

Competing claims over areas of the South China Sea, which is the focus of an ongoing

### Significant regional challenges to securing maritime domain

sovereignty dispute between countries in the region, adds simmering geopolitical tensions to the maritime security context in South-East Asia. China, the Philippines, Taiwan, Malaysia, Vietnam and Brunei have all claimed various islands, reefs atolls and banks as their own, which contain potentially

involved deploying naval patrols and building man-made islands in a region stretching hundreds of miles south and east from the country's southernmost province of Hainan. While these activities have been met with international condemnation and led to numerous naval standoffs (since 2013 there have been at least 38 reported small-scale incidents between vessels under the flags of claimant states), China's acquisitional intentions within the region show little signs of abating.

On 1st June 2019, the US Department of Defence released its first Indo-Pacific Strategy report, designed to enhance regional cooperation amongst allies and counter chinese assertiveness throughout the region. According to the report, the U.S. military currently has over 2,000 aircraft, 200 warships and submarines, and 370,000 military personnel deployed in the Indo-Pacific region. The report contained further plans to



purchase 110 fourth and fifth generation fighters and 400 advanced medium-range air-to-air missiles, among other defence materials suitable for maritime tactics. Additionally, it notes plans to purchase 10 destroyers, as well as ballistic missiles, between 2020 and 2024 to improve U.S. capabilities in anti-surface and anti-submarine warfare. Since 2017, the U.S. military has significantly increased the frequency, scope and intensity of its operations in the South China Sea region. Under Donald Trump's presidency, the American military has conducted 'Freedom of Navigation Operations' (FONOPS) 15 times in the South China Sea. In 2019 alone, the Pentagon has dispatched destroyers to the territorial seas or the adjacent waters off China's Xisha (Paracels), Nansha (Spratlys), and Zhongsha Islands (Scarborough Shoal) six times without the permission of Beijing. Nevertheless, an aim of China's current military strategy is to challenge

America's long-held naval primacy in the wider Pacific region. When combined with the rapid and dramatic increase in militarisation of the South China Sea, ongoing tensions could create potentially long-term issues for security of commercial operations throughout South-East Asia.

## VENEZUELA

Venezuela has once again faced a year of political strife and destabilisation. Following the second inauguration of Venezuela's current President Maduro, the opposition leader Juan Guaidó declared himself leader of an 'acting Presidency' of Venezuela. This declaration was followed by protests on the street, however there was no decisive move to remove Maduro. Guaidó's attempt to build momentum behind an anti-Maduro movement failed in part due to accusations, and at the least the perception that it was being instigated/supported by foreign powers such as the US. Following the acute political upheaval at the beginning of the year Norway has chaired political negotiations to try and forge a political resolution in Venezuela, but this has so far not been successful.

Venezuela remains a state in crisis,

with basic amenities such as power and water now intermittent, and food shortages a fact of everyday life. The humanitarian situation within the country has noticeably declined in 2019, and humanitarian relief is increasingly being delivered within Venezuela.

Despite these issues, Venezuela remains a net exporter of oil, however the US economic sanctions and embargos upon the nation has harmed overall levels of economic engagement with Venezuela. It is likely that Venezuelan oil terminals, such as Jose Terminal, will remain operational into 2020, however issues due to a lack of maintenance, or staffing issues (either through a lack of staff or an inability to pay wages), will remain a challenge.





Dryad Global  
71-75 Shelton Street  
London WC2H 9JQ  
+44(0)3301 244344

[www.dryadglobal.com](http://www.dryadglobal.com)  
[enquiries@dryadglobal.com](mailto:enquiries@dryadglobal.com)