

# Indian Ocean

## High-Risk Area (HRA) Declassification: Why it happened and what it means

20<sup>th</sup> October 2022

**Information Cut-Off Date:** 19<sup>th</sup> October 2022

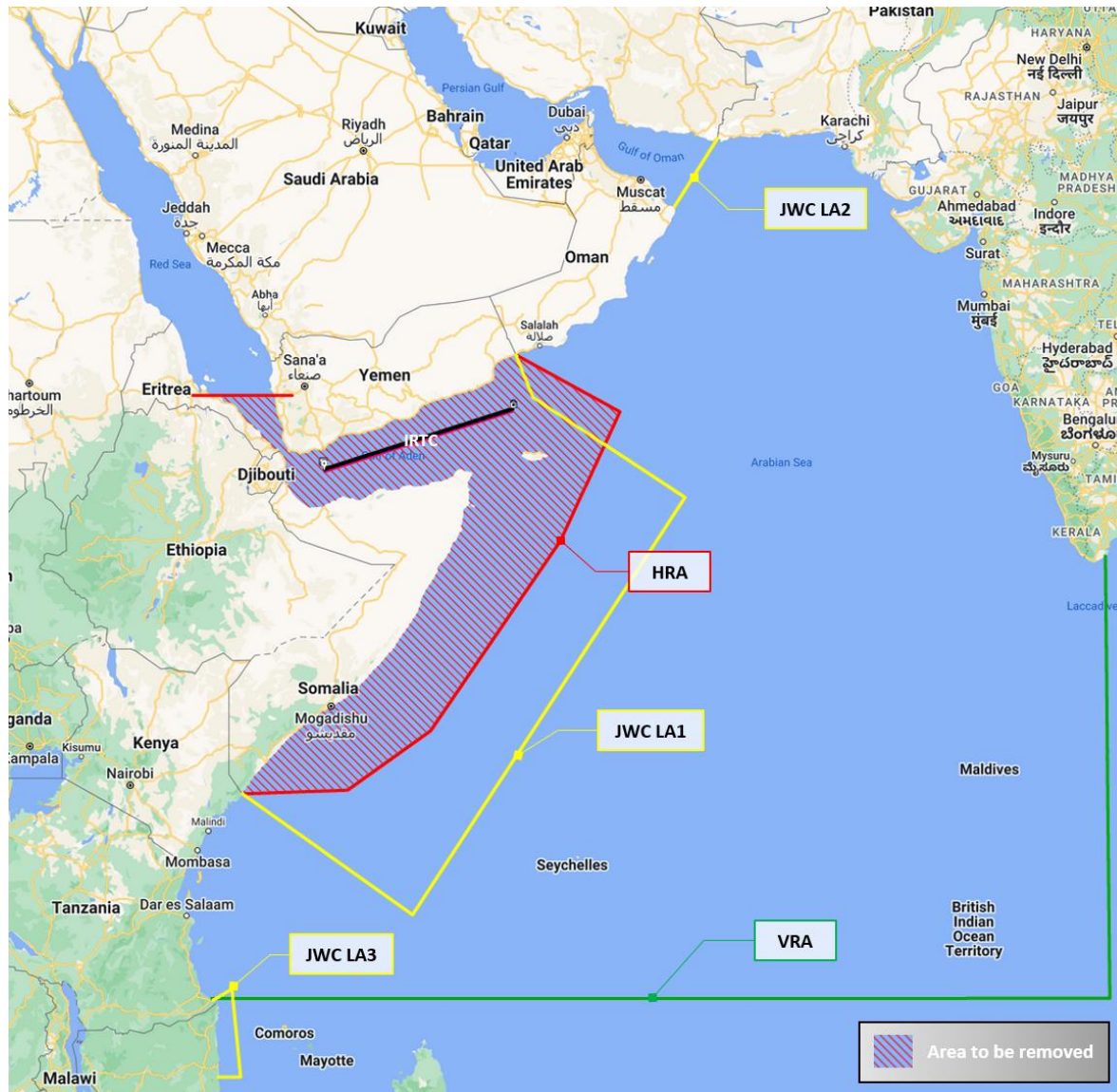
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- On 22<sup>nd</sup> August, international maritime shipping institutions submitted an official memorandum to the International Maritime Organisation (IMO) formally announcing their decision to declassify the High-Risk Area (HRA) of the Indian Ocean. **The declassification is expected to come into effect at 0001hrs UTC on 01<sup>st</sup> January 2023.**
- **The recommendation was prompted by significant reductions in recorded incidents of piracy** in the northern Indian Ocean, particularly in the Somali Basin, Gulf of Aden, and Strait of Bab el Mandeb seas areas.
- The reduction in activity is attributable to a range of factors, **primarily the establishment of more capable government and security institutions** in Somalia, the **deployment of multinational Naval forces** in the region, and the deterrent effect (and last-line of defence) provided by embarked **privately contracted armed security personnel (PCASPs).**
- **The Indian Ocean will remain – at least in the near term – with the Joint War Committee’s (JWC) Listed Areas** as well as the United Kingdom Maritime Trade Organisation’s (UKMTO) Voluntary Reporting Area (VRA).
- Regional observers have raised several important counterarguments advocating for the retention of the HRA, suggesting that **the declassification is premature given several key factors** – both known and unknown – **currently at play across the region.**
- Misconceptions regarding a causal relationship between the HRA and acts of piracy lead to another primary concern: the potential – and likely – **unintended consequence of a ‘false sense of security’ on the part of shipowners and operators** following the removal of the designated area.
- While significant progress has been made at reducing their freedom of action off the coast of Somalia, **SF Group assess that pirate actions groups (PAGs) are likely to retain the intent and, when conditions permit, could quickly regenerate the capability to carry out further attacks.**
- It is important to note that currently there has been **no indication of a drawdown of employed anti-piracy and other maritime security measures** by either the Federal Government of Somalia (FGS) or deployed multilateral Naval forces in the region as a result of the HRA’s impending declassification.
- At present, **no immediate modification of security posture on the part of shipowners and operators is recommended** following the announcement, but rather the continued employment of Best Management Practices (BMPv5) procedures and the exercising of a heightened maritime domain awareness (MDA) on the part of seafarers operating in the region.



# What happened? The Shipping Industry Memorandum



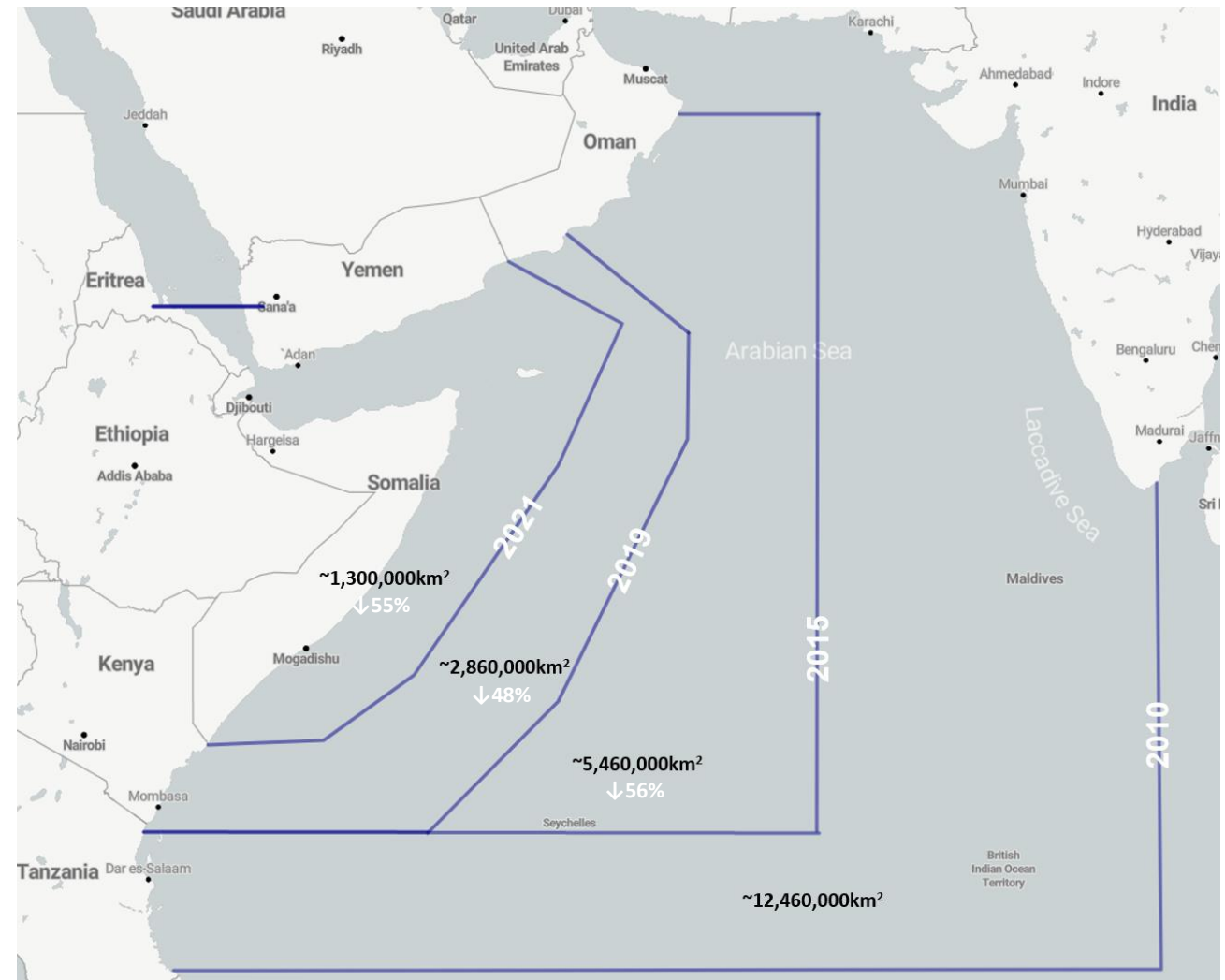
On 22<sup>nd</sup> August, international maritime shipping institutions submitted an official memorandum to the International Maritime Organisation (IMO) formally announcing their decision to **declassify the High-Risk Area (HRA) of the Indian Ocean.**

The decision was supported by the International Chamber of Shipping (ICS), BIMCO, International Marine Contractors Association (IMCA), INTERCARGO, INTERTANKO, and the Oil Companies International Marine Forum (OCIMF), and is **set to be at the top of the agenda for the upcoming Maritime Safety Committee meeting (MSC-106) scheduled for later this year on 31<sup>st</sup> October.**

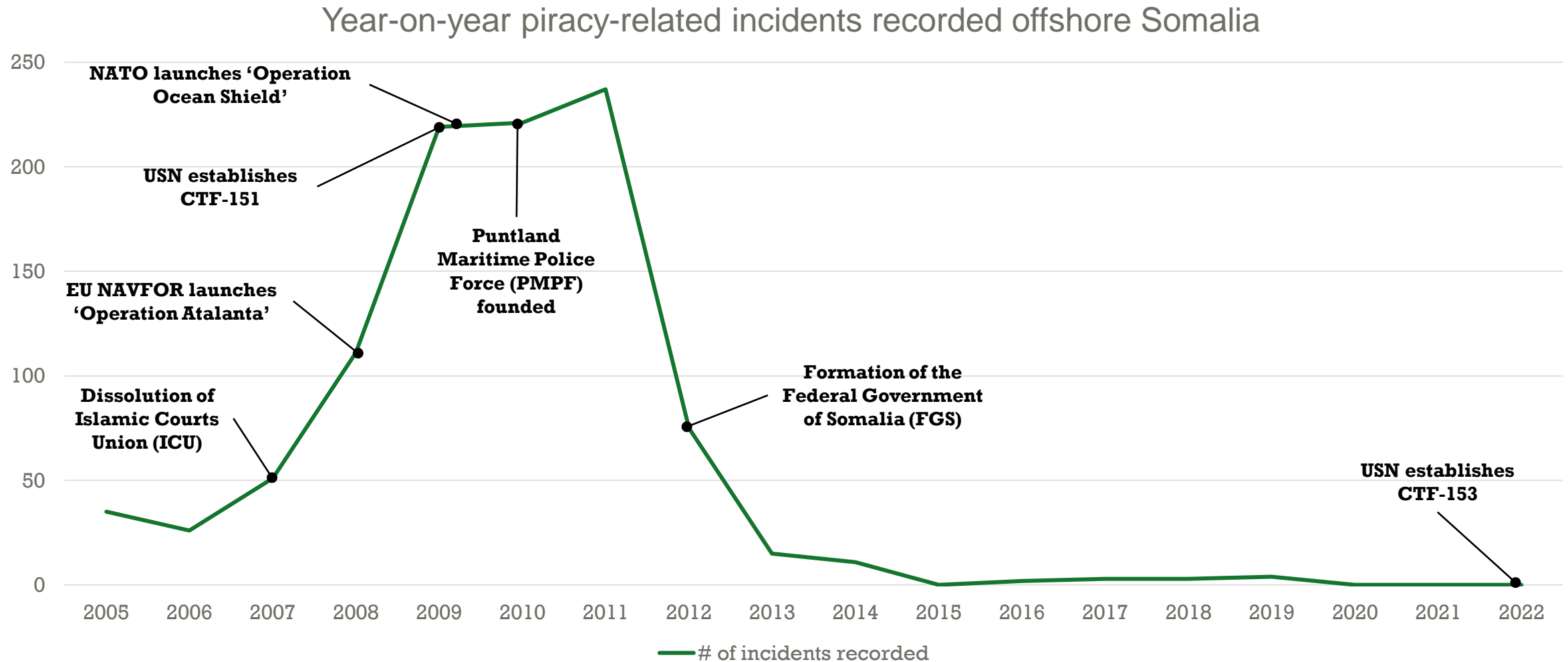
The declassification is expected to **come into effect at 0001hrs UTC on 01<sup>st</sup> January 2023**, allowing sufficient time for maritime stakeholders in the region, including shipowners and operators, to identify and analyse prevailing risk factors and adjust – if necessary – their employed maritime security frameworks.

# Background to the HRA

- To fully understand the shipping industry's decision to remove the HRA designation, one must look at its origins and subsequent regression, having undergone several revisions since its imposition, based on observable changes to the threat environment of the Indian Ocean.
- **The HRA was first established in 2010** as an industry designation **for seas areas considered to be at higher risk of piracy** and within which self-protective measures were likely to be required by vessel owners and operators.
- As shown in the map opposite, the Area was **first revised in 2015**, reducing by more than half its original extent of 12 million square kilometres due to an observed reduction in piracy-related incidents.
- Subsequent iterations of the HRA were announced in **May 2019** and **September 2021**, which **removed respectively the waters offshore Tanzania and Kenya**, due to further recorded reductions in acts of piracy.



## Why is the HRA being removed? – Reduction in Piracy



Source: International Maritime Bureau (IMB), EU NAVFOR, SF Group

## Why is the HRA being removed? – Reduction in Piracy

### Key Factors for Reduction

#### Local

- **Creation** of a relatively stable Federal Government
- **Strengthening** of land-based and maritime security forces

#### International

- **Establishment** of multilateral Naval force missions offshore Somalia
- **Support** through military and economic aid to Somali government

#### Private

- **Training** and capacity building of Somali security forces through public-private partnerships
- **Embarkation** of PCASPs on board merchant vessels

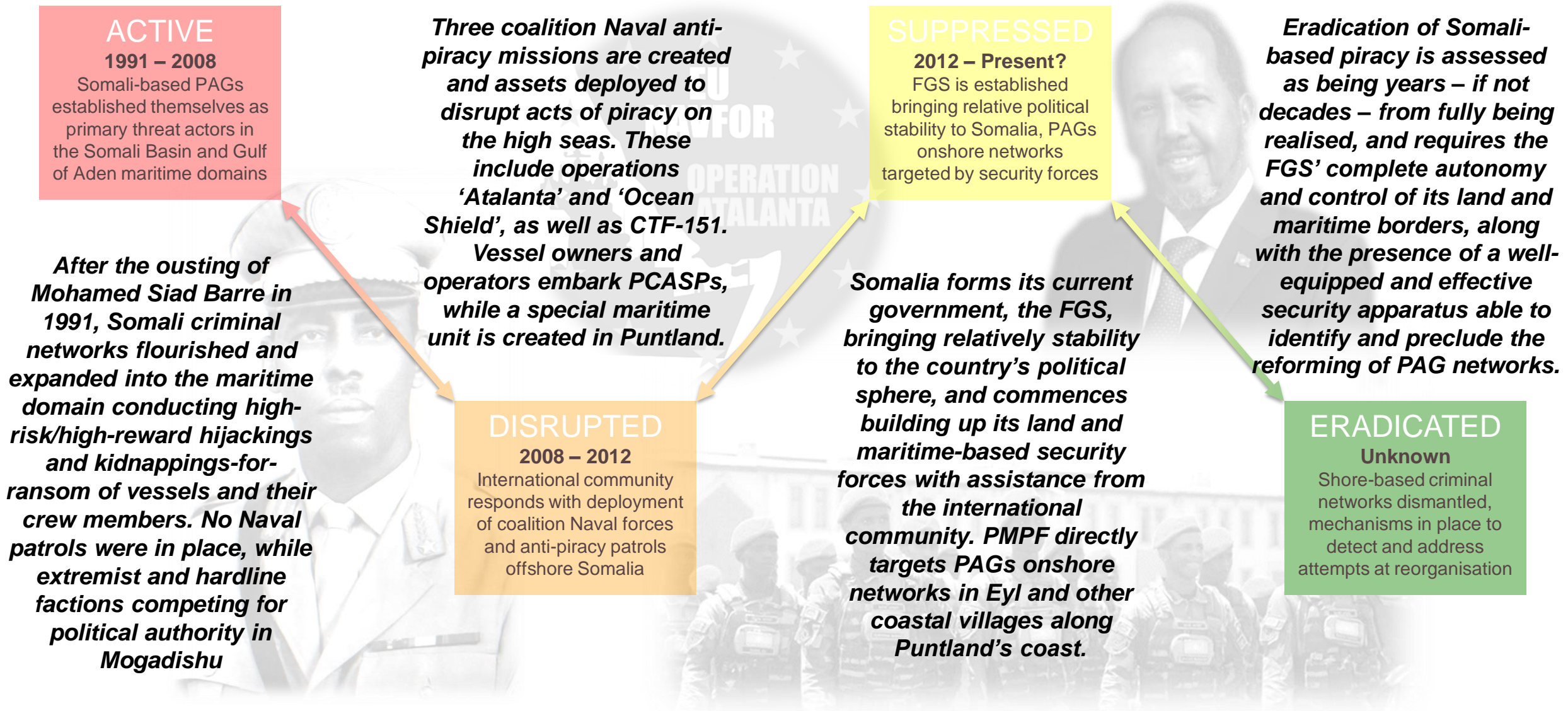
Incidents of piracy in the northern Indian Ocean, particularly in the Somali Basin, Gulf of Aden, and Strait of Bab el Mandeb seas areas, have reduced significantly from their peak in 2011, when some 237 related incidents were observed. **The last recorded incident was in 2019**, when a fishing dhow was attacked off the coast of south-central Somalia; **the last reported attack involving a merchant vessel occurred in 2018**.

The reduction in activity is attributable to a host of both independent and related factors, **primarily the establishment of more permeant government and security institutions** in Somalia (PMPF in 2010 and FGS in 2012), supported by the **deployment of multinational Naval forces** in the region (EU NAVFOR, CTF 151, NATO), and further bolstered by the **private sector response and partnerships** (embarkation of PCASPs on board merchant vessels, training programmes to Somali maritime security forces, and information analysis).

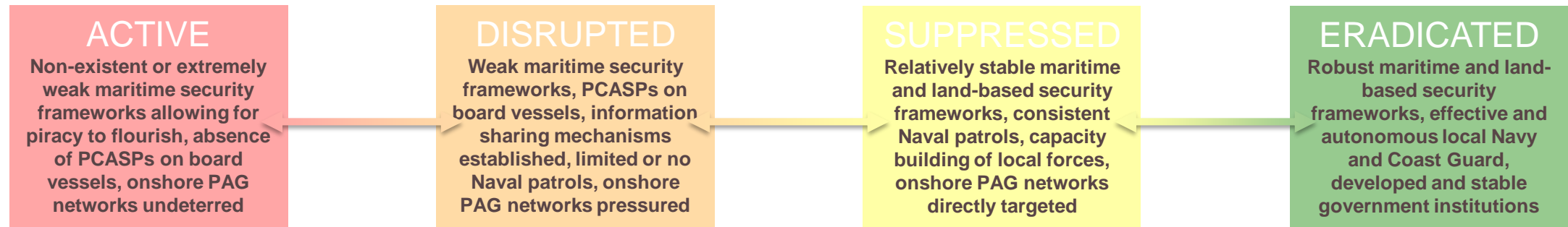
**This tripartite response** by the Somali government, international community, and private sector **proved highly effective at disrupting and suppressing Somali-based piracy in the northern Indian Ocean**. Both on- and offshore security vacuums that existed after the fall of Mohamed Siad Barre in 1991 have been gradually filled since 2008 through multilateral cooperation, with the FGS having taken on an increasingly larger role in protecting its territorial waters and – by extension – its blue economy in the decade that followed. Attempts at eradicating piracy in the region have begun, however, remain far from being achieved.



# Is it Justified? Theoretical Stages of Somali Piracy



# Is it Justified? Theoretical Stages of Somali Piracy



The continued observed dearth in piracy-related activity offshore Somalia over the past seven-year period, coupled with the idea that **piracy was central to the design of the HRA**, along with observed trends supporting the further suppression of extant Somali-based pirate action groups (PAGs) from putting out to sea, each **serve to support the maritime shipping industry's decision** to retire the region's High-Risk designation.

Furthermore, concerted efforts by both regional and international stakeholders in the private and public sectors have led to the **establishment of a more stable regional maritime security framework** resulting in the increased protection of critical maritime shipping lanes and infrastructure from acts of piracy. A majority of industry experts further agree that **piracy – at present – has largely been suppressed**, although is far from being defeated. Somalia's ability to manage and control its own security mandate both on and offshore is far from becoming a reality, although significant progress been achieved in recent years towards this goal.

At the same time, **there are a number of important counterarguments** raised by some regional observers advocating for the retention of the HRA, suggesting that the declassification is premature given the **myriad of “x” factors currently at play** across the region. These observers moreover contend that analysing the threat of piracy in terms of a linear model is an oversimplification of the reality of the situation and the distinction between “stages” is substantially blurred and largely subjective. Critical factors, especially the *intent* of PAGs, cannot be determined accurately because of uncertainty about the removal of ‘suppression’ effects, such as the CMF.

Another key point is the **potential for an immediate-term contraction in employed maritime security frameworks** within the region leading to a more opportunistic environment for Somali-based PAGs to exploit, and ultimately a resurgence of piracy. One of main concerns raised is the **potential – and likely – unintended consequence of a ‘false sense of security’** on the part of shipowners and operators following the HRAs removal.



## What happens next? – Listed Areas, the VRA, and Reporting Agencies



- The Indian Ocean post-HRA – at least for the near to medium-term – will remain with the Joint War Committee's (JWC) Listed Areas as well as the United Kingdom Maritime Trade Organisation's (UKMTO) Voluntary Reporting Area (VRA).
- It is unlikely that the JWC will immediately follow suit and remove its High-Risk designation for the Southern Red Sea, Strait of Bab el Mandeb, Gulf of Aden, and Somali Basin – although if current downward trends persist in the region over the next three to six months, the revision of the area remains conceivable.
- Meanwhile, the information sharing mechanisms established between the military and maritime industry stakeholders prior to the height of piracy in 2011 and strengthened over the proceeding years, including the UKMTO and the Maritime Security Centre – Horn of Africa (MSCHOA), are unlikely to be defunded or abolished as a result of the HRA's declassification due to the continued threat of state-sponsored terrorism on the high seas.
- It is important to also underscore the capabilities of these reporting agencies which are closely linked to their home country's intelligence capabilities and national security interests. Their ability to accurately determine the state of on and offshore criminal networks throughout the region remains uncertain, but also allows little room for debate given the absence of viable alternative sources of information.

## What happens next? – Immediate-term Implications

Next, we highlight some of the known, expected, and more uncertain short-term implications following the announcement of the HRA's forthcoming declassification. While what is covered herein certainly does not address the full initial range of questions or concerns affected maritime stakeholders may have, the following are some of the most commonly featured queries and are intended to help guide the discussion in the coming months prior to the Area's official removal on 01<sup>st</sup> January 2023.

***Will shipowners and operators still be required to pay additional premiums to underwriters?***

**Yes.** At present, vessels transiting through the JWC's Listed Areas will be required to notify underwriters of these voyages, with negotiated ratings determining the additional premiums paid.

***Will international anti-piracy Naval missions currently active in the northern Indian Ocean be withdrawn?***

**No.** As previously mentioned, currently deployed maritime assets operating under EU NAVFOR's 'Operation Atalanta' and CTF 151 will remain firmly in place, at least for

the foreseeable future. CMF furthermore expanded its operational footprint in the seas areas with the introduction of CTF 153 earlier in April 2022 – and while not specifically mandated to combat piracy, its units patrol waters historically sailed by Somali-based PAGs.

***Will the threat from piracy still exist?***

**Yes.** While significant progress has been made at reducing the number of piracy-related incidents off the coast of Somalia, the threat remains extant, and where conditions are permissive, pirates will put out to sea once again.

***Will Somali-based PAGs view the HRA's removal as an invitation to recommence attacks on vessels?***

**Uncertain.** While the appetite exists for PAGs to expand their now largely, onshore criminal enterprises back into the maritime sphere, the likelihood is largely dependent on their capabilities and the maritime shipping industry's own initial reactions to

the declassification (i.e. adopting a 'false sense of security' resulting in an over relaxation of previously established maritime security frameworks).

***Will UKMTO still issue alerts on security-related incidents in the northern Indian Ocean?***

**Yes.** UKMTO and other regional maritime reporting agencies will continue to share information to the wider maritime shipping community regarding significant security-related incidents recorded on the high seas.

***Will a new emerging threat supplant piracy as the region's leading maritime security concern?***

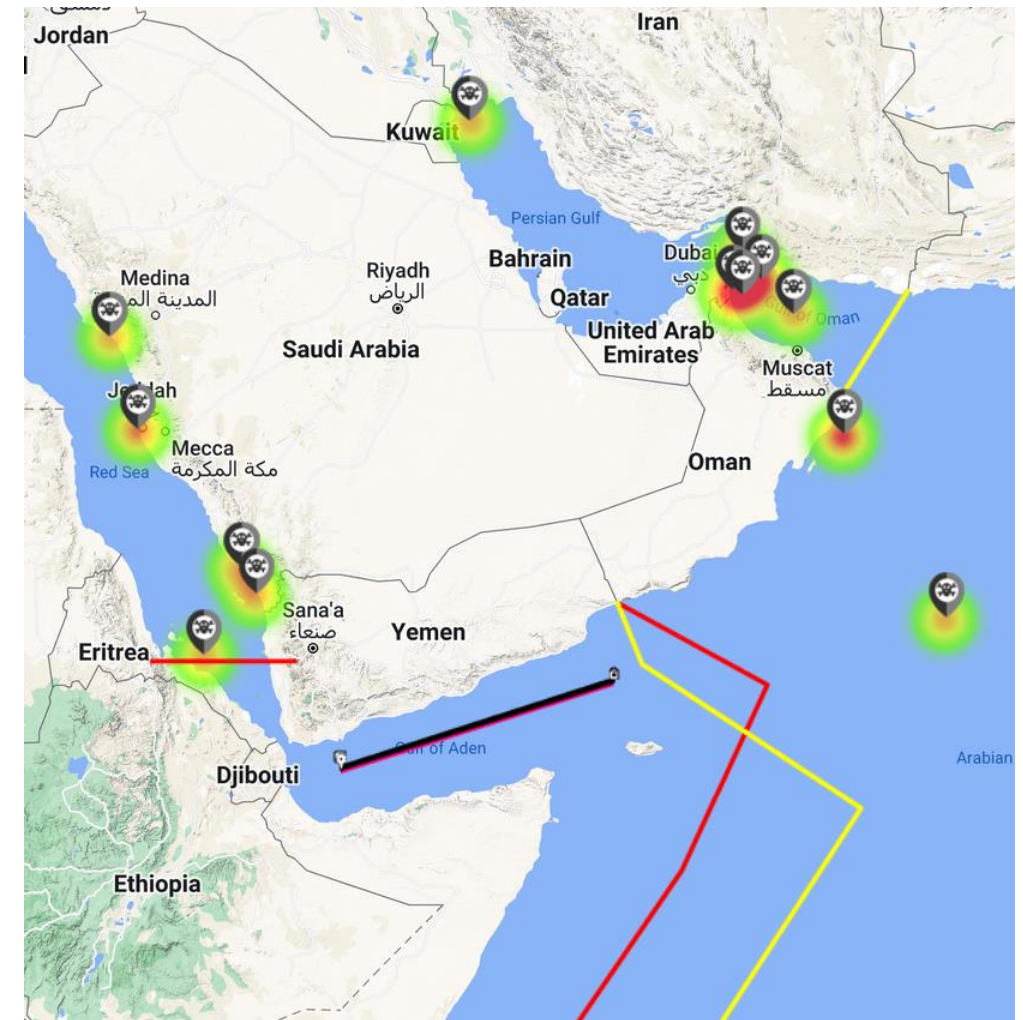
**Expected.** While vessels transiting the northern Indian Ocean seas areas will remain at risk of piracy, incidents related to state-sponsored terrorism have grown in frequency and severity over the last three-year period, and are likely to characterise the region's maritime threat environment moving forward.

## What other threats exists? – Yemen Conflict, Proxy Wars, and the Prospect of Maritime Terrorism

A surge in security-related incidents linked to maritime terrorism has been recorded within the northern Indian Ocean seas areas since October 2016. Earlier on, the attacks had predominantly targeted Naval vessels linked with the Saudi-led coalition in Yemen, however, since 2019 a shift began to emerge which saw an increasing number of merchant vessels being targeted in such attacks. The profiles of the targeted vessels have varied in flag states and cargo type, however, a significant majority were reported to have had either direct links or secondary connections to the Saudi Kingdom or Israeli business magnates.

Of note, a geographical dichotomy can be identified with most such incidents recorded in the Red Sea targeting merchant vessels with ties to Saudi Arabia – and its oil industry in particular – which are largely carried out by Iran-backed Houthi militias based in Yemen. On the other hand, those observed in the Strait of Hormuz, Gulf of Oman, and northern Arabian Sea have typically involved attacks against vessels connected to Israel-based companies and businesspersons, which are generally orchestrated by the Islamic Revolutionary Guard Corps Navy (IRGCN).

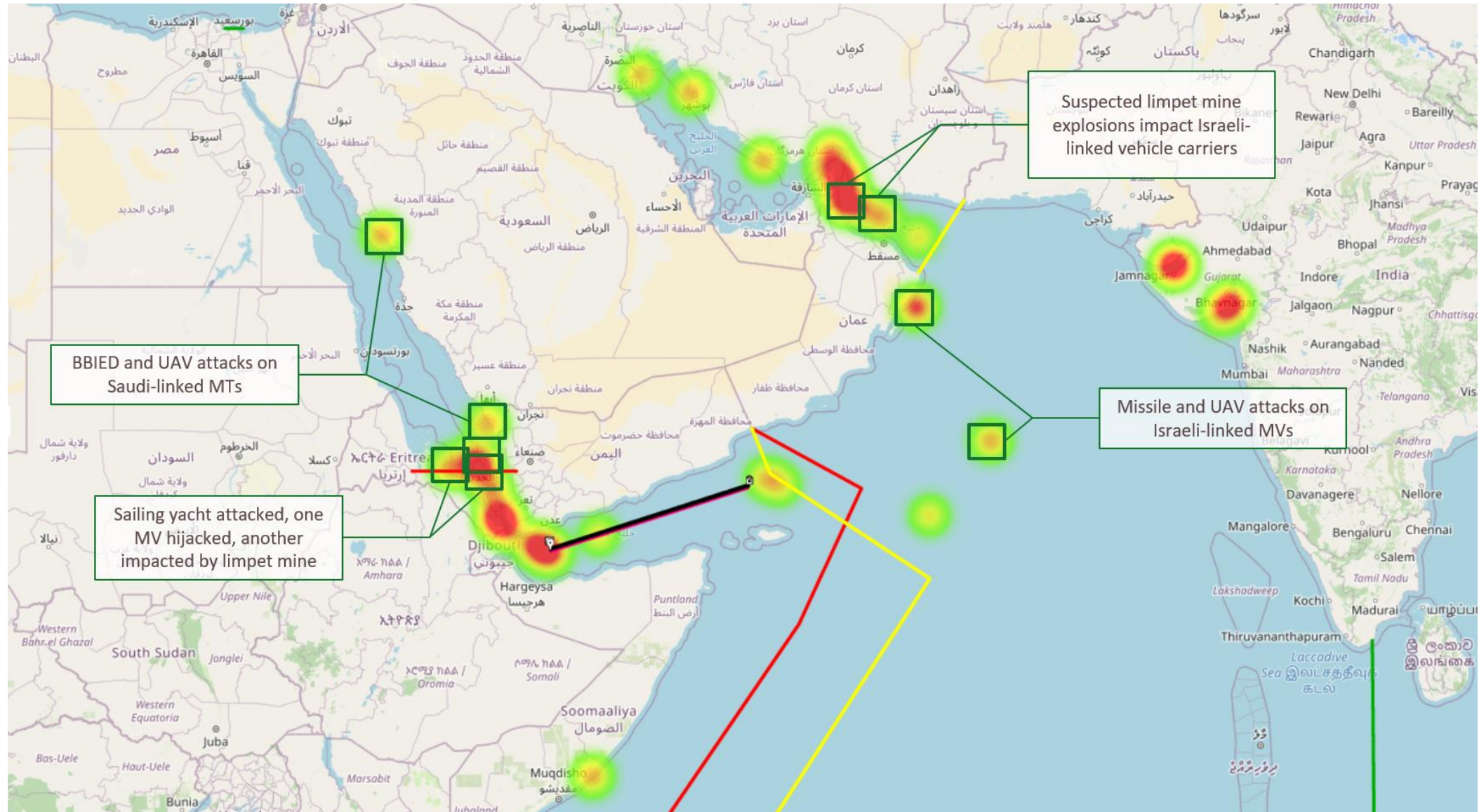
Remote-controlled boat-borne improvised explosive devices (RC-BBIEDs), 'one-way' unmanned aerial vehicles (UAVs), anti-ship missiles, and Naval mines have each been utilised by Houthi insurgents and the IRGC in the ongoing asymmetrical, low-intensity military conflict on the high seas. However, the region also has a historical presence of other transnational armed groups, such as Al Qaeda in the Arabian Peninsula (AQAP) and the Islamic State (IS). Both groups have exploited the breakdown of security in Yemen as the result of the civil war to establish and expand their operational reach to the coastline.



*Incident heat map of terrorism-related maritime security incidents recorded since 2019*



## What other threats exists? – State-Sponsored Terrorism on the High Seas



Incident heatmap 2021 – 2022

## What other threats exists? – The Houthi Insurgency



*Alleged cargo seized by Houthi militants on board the RWABEE (IMO: 470026000) on 03<sup>rd</sup> January 2022*

***Notably, the relatively calmer maritime threat environment in the northern Indian Ocean has coincided with the implementation of the ceasefire agreement in Yemen earlier in April.***

In addition to the threat of BBIEDs, **there is an equally heightened risk of armed attacks and hijackings within the Southern Red Sea and the Gulf of Aden**, particularly offshore territory held by Houthi militants. The 03<sup>rd</sup> January 2022 hijacking of the MV RWABEE **represented the first successful hijacking of a merchant vessel** by non-state actors in the Indian Ocean since 2019. The incident was closely followed by an ‘armed harassment’ of an MT transiting through the Red Sea on 05<sup>th</sup> January 2022 by suspected Houthi insurgents. **The group’s seizure of the strategic Port city of Hodeidah** in early November 2021 **spurred fears of an increase in attempted attacks** against both Naval and commercial vessels offshore western Yemen and Saudi Arabia.

On 11<sup>th</sup> January 2022, the **United Nations (UN) expressed “great concern” over the militarization of Yemeni Ports under Houthi control**, including Hodeidah, Al Saleef, and Ras Isa, and their application as launching points for attacks on global shipping. Furthermore, the **Ports have been used to facilitate other acts of maritime crime such as arms and narcotics smuggling** which continue to pose a tertiary threat to seafarers.

In 2021, Saudi Coalition officials reported intercepting and neutralising a total of 100 BBIEDs in the Red Sea, a majority of which were suspected to have been launched by Houthi militants in Yemen’s Hodeidah Governorate. In addition, 248 sea mines were detected and destroyed in the seas areas, while 13 commercial vessels reported suspicious and aggressive approaches by unmarked skiffs, oftentimes with armed personnel on board.



## What other threats exists? – Tensions Between Iran & Western Nations

Another extant threat to seafarers which exists within the northern Indian Ocean stems from the fluctuating tit-for-tat engagement on the high seas between Israel and Iran, as well as the latter's consistent harassment of United States (US) Naval assets deployed in the region – albeit to a lesser extent. While it is currently assessed that security-related incidents linked to these interactions are unlikely to directly affect merchant vessels transiting through the northern Indian Ocean seas areas, unintended second-order effects may arise from these persistent geopolitical tensions which have repeatedly manifested themselves within the maritime sphere in the form of vessel and cargo seizures, illegal boardings, maritime cyber crime, and – in extreme cases – direct attacks on vessels connected to entities (businesspersons or enterprises) of involved states. However, all shipowners and operators bear some level of risk when embarking on voyages across the region, irrespective of the flag state of the vessel, its origins, or commercial/political affiliations, due to cases of miscalculation and misidentification.

Tensions have most recently flared between the US and Iran following a series of temporary detentions of US deployed Saildrone Explorer unmanned surface vessels (USVs) in the Persian Gulf and Southern Red Sea, by members of the Islamic Revolutionary Guard Corps Navy's (IRGCN) and its sister force, the Islamic Republic of Iran Navy (IRIN). Personnel of the two Iranian Naval forces intercepted and briefly seized three USVs deployed within

international waters across the region and operated by the US Fifth Fleet in Bahrain. The USVs, which were seized on 29<sup>th</sup> August and on 01<sup>st</sup> September 2022 in the Persian Gulf and Southern Red Sea respectively, were released without incident following the interdiction of US Naval vessels in the areas. While it is unlikely that these seemingly innocuous interactions between two key rival Naval forces operating in the northern Indian Ocean will lead to incidents of direct conflict, an escalation of tensions and tactics on the part of Iran's deployed Navies may surface in the coming months, with commercial vessels remaining at risk of being inadvertently targeted.



*Devil Ray T-38 (left) and Saildrone Explorer (right) USVs in the Gulf of Aqaba*



## What other threats exists? – Tensions Between Iran & Western Nations

Other Western-flagged vessels have also in the past been targeted in boardings and seizures by IRGCN and IRIN personnel, including earlier this year when the Greece-flagged crude oil tankers DELTA POSEIDON and PRUDENT WARRIOR were seized and their crew members detained whilst navigating through the waters of the Persian Gulf and Strait of Hormuz shortly after loading oil from Iraq's Basrah Port.

The two tankers were transiting through international waters at the time of their interception by IRGCN personnel and were subsequently directed towards Iran's territorial waters (TTW) over unspecified "violations". A state-run media outlet later linked the seizures to the Greek authorities' detention of the Russian-flagged LANA earlier in April at the request of the US. The vessel had been transporting sanctioned Iranian crude oil at the time and was being held in Greek waters at the Port of Karistos pending a court ruling on the matter. The combined 49 crew members of both vessels were later released on 11<sup>th</sup> September, after a Greek court had overturned the seizure LANA, returning its cargo after it had been previously removed from the vessel via a ship-to-ship (STS) transfer to the Dynacom-owned ICE ENERGY on 23<sup>rd</sup> May.

The seizures closely mirror actions undertaken by the Iranian regime in 2019, when the STENA IMPERO and MESDAR were boarded and subsequently seized by the IRGCN in the Strait of Hormuz, on 19<sup>th</sup> July, in retaliation to the United Kingdom's (UK) earlier detention

of the Panama-flagged GRACE 1 which had been carrying Iranian crude oil, off Gibraltar earlier in the month. The two vessels were targeted due to their connections with UK interests, with the STENA IMPERO being a UK-flagged vessel and the MESDAR being operated by a British shipping company based in Scotland. The second of the two vessels was soon released after its initial boarding by the IRGCN, while the STENA IMPERO had remained detained in Iranian TTW for several weeks as authorities in Tehran used it as a bargaining chip for the release of the similarly impounded GRACE 1 and its cargo.

While the most recent actions by Iran conform to historically observed patterns in the Persian Gulf, Strait of Hormuz, and Gulf of Oman seas areas in relation to the regime's externalised responses to perceived adverse and threatening developments in global geopolitics, the seizures of the DELTA POSEIDON and PRUDENT WARRIOR marked a significant and worrisome escalation in Tehran's offensive posture within the maritime threat environment of the Arabian Peninsula.

The 'long-term' detention of two merchant vessels of western flag states and close to 50 crew members raises concerns over the safety and security of some of the world's most critical shipping lanes, and further underscores the risks faced by seafarers and other maritime stakeholders of being involved – either directly or indirectly – in an incident of "state-sponsored piracy".

# What should be on maritime stakeholders' radars in the coming months? The "X" Factors

The following are several key indicators regional maritime stakeholders should keenly observe over the next 12-month period which are likely to signal an improvement, support of the status quo, or a deterioration within the Indian Ocean's threat environment. While by no means is this list exhaustive, it does help to elucidate on some of the principal drivers of maritime insecurity across the region.

## 1. Yemen Ceasefire Agreement

*Impact:* Moderate-to-High

*Likelihood:* Moderate

A further breakdown of negotiations and non-renewal of the truce between warring factions in Yemen. The April 2022 agreement was extended on two occasions already, but expired on 02<sup>nd</sup> October 2022 – after the two sides failed to agree on a third extension with the UN urging both parties to refrain from acts of provocation as talks continue.

## 2. Multilateral Naval Forces

*Impact:* High

*Likelihood:* Low

A contraction of deployed coalition Naval assets in the northern Indian Ocean would likely result in piracy self-importing itself back into waters offshore Somalia. However, these forces recently *expanded* their operational footprint in the region with the introduction of CTF 153 earlier in April.

## 3. Puntland & Somaliland Elections

*Impact:* High

*Likelihood:* Moderate

The semi-autonomous regions of Somaliland and Puntland in Somalia's north – the latter previously known to be the epicentre for Somali-based piracy – are set to hold national and municipal elections by the end of the year, while sustained political unrest and internal conflict would likely lead to a resurgence in piracy. Tensions amongst rival political factions within the two states have already begun to surface in recent months.

## 4. Somali Fractionalisation

*Impact:* Moderate

*Likelihood:* Low

A hyper-fractionalisation between Federal Members States (FMS) and the Federal Government of Somalia (FGS) would compromise land-based and nearshore joint security frameworks that have helped to disrupt and suppress PAG activity in recent years. Rifts between Mogadishu and several FMS have resurfaced following President Hassan's election win earlier in May.

## 5. Regional Drought

*Impact:* Moderate

*Likelihood:* High

Worsening drought conditions across the East Africa Region and particularly in Somalia, coupled with acute food shortages, weak infrastructure and government aid, could act as a catalyst for illicit activity both on and offshore as communities seek new methods of subsistence and revenue streams.

## 5. Regional Drought (cont'd)

Some regional observers have predicted that the country will fall into famine by the end of 2022 if not more is done to address the situation.

## 6. Iran-US Tensions

*Impact:* Low

*Likelihood:* High

An escalation of tensions and tactics on the part of Iran's deployed Navies – the IRIN and IRGCN – in the northern Indian Ocean may surface in the coming weeks and months, with commercial vessels remaining at risk of being inadvertently affected. Such activity and related risks would further be exacerbated by a resurgence of conflict in Yemen following the expiration of the ceasefire agreement earlier in October.

## 7. Mozambique Insurgency

*Impact:* Moderate

*Likelihood:* Moderate

The threat posed by the Islamic-state affiliated Ansar al-Sunna Wa Jamma (ASWJ) militant group to vessels transiting, operating, or calling at Ports offshore Mozambique remains a source of concern, with the group maintaining a robust and active presence north of Nacala, as well as in several villages along the shoreline. ASWJ have moreover made several notable advancements southward into Nampula Province in recent weeks.

## 8. Tigray Conflict

*Impact:* Low-to-Moderate

*Likelihood:* Moderate

A resumption of fighting between the Tigray Defence Forces (TDF) rebel fighters and the Ethiopian National Defence Forces (ENDF) in August marked an end to the four-month long ceasefire between the Federal Government and the Tigray People's Liberation Front (TPLF). Continued conflict in Ethiopia would further destabilise the region, and its immediate neighbour,

Somalia, allowing for established criminal syndicates to expand their networks and operations, possibly encouraging their calculated re-entry into the maritime domain.

## 9. Kenya-Somalia Maritime Delineation

*Impact:* Low-to-Moderate

*Likelihood:* Moderate

Another key factor that may help to prime conditions for a resurgence in Somali-based piracy is the ongoing contention between Mogadishu and Nairobi over the delineation of maritime boundaries, despite the International Court of Justice's (ICJ) ruling issued earlier in October 2021 largely in favour of Somalia, which Kenyan officials publicly rejected. The disfranchisement of coastal communities due to increased contestation between the two states would pose risks to any potential future offshore Oil & Gas operations in the area and – in more extreme cases – potentially act as a driver of piracy-related activity.



## What should shipowners and operators do? – Forecast & Recommendations

KEY INDICATOR	TIME PERIOD	IMPACT	LIKELIHOOD
Yemen Ceasefire Agreement	1 – 3 Months	Moderate-to-High	Moderate
Multilateral Naval Force	12 Months	High	Low
Somaliland & Puntland Elections	3 Months	High	Moderate
Somali Fractionalisation	12 Months	Moderate	Low
Regional Drought	3 – 6 Months	Moderate	High
Iran-US Tensions	1 – 6 Months	Low	High
Mozambique Insurgency	8 – 12 Months	Moderate	Moderate
Tigray Conflict	6 – 12 Months	Low-to-Moderate	Moderate
Kenya-Somalia Maritime Delineation	12 Months	Low-to-Moderate	Moderate

At present, **no immediate modification of security posture on the part of shipowners and operators is recommended** following the announcement of the international maritime bodies' decision to declassify the HRA.

Vessels and their crew transiting through, operating within, or calling at Ports across the Indian Ocean Region are urged to **continue employing Best Management Practices (BMPv5) procedures and to exercise heightened maritime domain awareness (MDA)** in the coming months which – in conjunction with listed key indicators – will help to dictate future actions, either leading to a relaxation, hardening, or maintaining the status quo of security measures based on the possible outcomes highlighted in this document.

## What should shipowners and operators do? – Forecast & Recommendations

It is important to once again underscore that the decision to declassify the HRA in the northern Indian Ocean was reached based on the prevailing maritime threat environment as it relates to incidents of piracy and does not signify nor support a general improvement or reduction of risks faced by seafarers operating in the region. Furthermore, the removal does take into consideration any one of a number of potential outcomes based on lead indicators – several of which are highlighted herein – that would individually or in conjunction act as a catalyst for a resurgence in piracy-related activity off the coast of Somalia.

Moving forward, the maritime shipping industry is likely to require a multi-faceted threat identification and mitigation approach, encompassing not only the traditional anti-piracy model, but inclusive and reflective of the recent fundamental shifts within the region's maritime threat environment that is increasingly driven by incidents of maritime terrorism.

- The notable rise in terrorism-related attacks and attempted attacks against MVs is a source of concern and further stands to demonstrate the highly dynamic threat environment of the Indian Ocean. **A resumption of sustained conflict in Yemen would likely further destabilise regional security** and increasingly spillover into the maritime domain in 2023, threatening freedom of navigation (FoN) and critical global shipping lanes within the Southern Red Sea and adjacent seas areas.
- **Incidents of Somali-based piracy resurging in the medium-term remains a distinct possibility**, given the country's ongoing internal political struggle fueled by clan divisions and aspirations for self-governance, which has continued to lead to a deterioration of Somalia's socioeconomic environment, including high rates of unemployment and the absence of basic public services. Further exacerbating the situation has been the prolonged drought and rising food insecurity that has brought the country on the brink of famine, as well as foreign exploitation of marine resources in the Somali Basin and near the Kenya-Somalia border.
- Notably, the **complex relations between Somali pirate syndicates and militant groups operating in the country also pose a unique dynamic**, with both al Shabaab and the local Islamic State (IS) faction continuing to maintain social and economic links to prominent pirate kingpins. In particular, the facilitation of the movement of armaments and personnel for the militant groups by pirate syndicates has been cited as an example of the interconnectedness of Somali piracy, with key actors sharing family as well as long-standing business ties.

## What should shipowners and operators do? – Forecast & Recommendations

While soft services such as maritime intelligence reports, security briefings, and routing advisories are likely to play a more crucial role in the coming years, the provision of hard assets such as PCASPs should not be dismissed entirely as they still offer substantial value as a hedge against a credible risk of a resurgence in piracy-related activity and an upward trend of maritime terrorism in the past half-decade.

A further deterioration in onshore conditions in Yemen and Somalia can precipitate either scenario, while the recent seizures and militarisation of key Yemeni Ports by Houthi militants and the ongoing power struggle and hyper-fractionalisation across Somalia's political landscape serve to support this assessment.

For details on SF Group's maritime risk advisory services, please contact us at [enquires@sf-group.co](mailto:enquires@sf-group.co)



*Somaliland police officer along the northern coast of Somalia and Gulf of Aden*



# Glossary

- **AQAP** – Al Qaeda in the Arabian Peninsula
- **ASWJ** – Ansar al-Sunna Wa Jamma
- **BBIED** – Boat-Borne Improvised Explosive Device
- **BMP** – Best Management Practices
- **CMF** – Combined Maritime Forces
- **CTF** – Combined Task Force
- **ENDF** – Ethiopian National Defence Forces
- **FGS** – Federal Government of Somalia
- **FMS** – Federal Member States
- **FoN** – Freedom of Navigation
- **HRA** – High-Risk Area
- **ICJ** – International Court of Justice
- **ICS** – International Chamber of Shipping
- **ICU** – Islamic Courts Union
- **IMCA** – International Marine Contractors Association
- **IMO** – International Maritime Organisation
- **IRIN** – Islamic Republic of Iran Navy
- **IRGCN** – Islamic Revolutionary Guard Corps Navy
- **IS** – Islamic State
- **JWC** – Joint War Committee
- **MSC** – Maritime Safety Committee
- **MSCHOA** – Maritime Security Centre – Horn of Africa
- **MT** – Motor Tanker
- **MV** – Motor Vessel
- **NATO** – North Atlantic Treaty Organization
- **OCIMF** – Oil Companies International Marine Forum
- **PAG** – Pirate Action Group
- **PCASP** – Privately Contracted Armed Security Personnel
- **PMPF** – Puntland Maritime Police Force
- **PMSC** – Private Maritime Security Company
- **TDF** – Tigray Defence Forces
- **TPLF** – Tigray People's Liberation Front
- **UAV** – Unmanned Aerial Vehicle
- **UKMTO** – United Kingdom Maritime Trade Organisation
- **USN** – United States Navy
- **USV** – Unmanned Surface Vessel
- **VRA** – Voluntary Reporting Area



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