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The onshore risk environment, rather than Western maritime operations, or on-board armed security, is likely to be key to future Somali piracy risk.

IHS Country Risk assesses that the sustained reduction in successful Somali piracy attacks on commercial shipping (last successful attack on a commercially significant ship was the hijacking of the *Smyrni* in May 2012) is due to a combination of the following factors:

- International maritime operations, including the escorting of shipping through the International Recommended Transit Corridor (IRTC) and intelligence-led interdiction of pirate mother ships .
- the adoption by the shipping industry of Best Management Practice (BMP) measures to mitigate the risk of hijacking and of crews being taken hostage.
- the widespread adoption by the shipping industry of on –board armed security guards, when transiting the area of maximum risk. There has been no reported instance of pirates pressing home their attack once they have detected the presence of armed guards on their target ship.
- changes in the onshore security and commercial environment in Somalia, particularly in Puntland and Gulmudug, with federal and provincial government authorities becoming more established and the potential for onshore exploitation of oil becoming a driver for security and a more attractive commercial opportunity for former warlords and village elders than patronage of piracy.
- critically, while pirates can launch operations from an unpoliced beach, they are dependent on a port at which hijacked ships and their crews can be held for months without government interference, if they are to negotiate ransoms for their return. While simple robbery of ship’s property or kidnapping for ransom of crew members would not require such a secure base, neither would they offer the same financial return for the risks taken.

Clearly the West’s political will to sustain its present standing commitment to anti-piracy operations may well become problematic, given the reduced piracy threat, not least in view of the potential for the civil war in Yemen, and its impact on commercial shipping through the Red Sea and Bab al-Mandeb, to result in a redeployment of maritime effort to ensure free movement through this chokepoint. Equally, evidence of reduced pirate attack capability, though not intent, raises doubt as to the industry’s readiness to go on paying the high premiums involved security costs, particularly in deploying on-board armed security.

IHS assesses that, even if these developments were to happen in parallel, they would, on their own, be unlikely to result in a major resurgence of Somalia-based piracy risk in the six-month outlook. We assess that the critical factor will remain the risk environment onshore. This is unlikely to change to the pirates’ advantage unless improving government stability in Somalia is reversed, most likely by the Somaliland regional and Somali federal presidents’ attempts to postpone elections slated for

2015 and 2016 respectively, or by disappointed expectations of the benefits from development of oil exploitation. The current low oil prices and residual doubts about security in Somalia have led to reluctance by oil companies to commit to new investment in Somalia. A separate emerging source of discontent among Somali coastal communities is the perceived failure of the government and the UN to deal with an increase in illegal fishing, conducted on an industrial scale by Asian trawlers. Loss of fishing income as a result of this activity was one of the factors which led fishing communities to opt for piracy.

We would expect to identify early indicators of decreased government instability or of protests resulting from disappointed expectations from oil exploration, or from frustration over illegal fishing, months ahead of evidence of pirates regaining control of a port and potential secure base.