



RiskIntelligence

Monthly Intelligence Report

January 2024

Risk Intelligence A/S
Strandvejen 100
2900 Hellerup
Denmark

Tel: +45 7026 6230
info@riskintelligence.eu
www.riskintelligence.eu

Table of contents

- Monthly focus: Iran's foreign policy – and why it matters 4**
 - Background..... 4
 - Iran's regional influence..... 4
 - Houthis and Hezbollah as maritime threats..... 5
 - Outlook..... 6
- Update: Maritime dimensions of the war in Ukraine 8**
 - Situation on land..... 8
 - Black Sea 9
 - Port operations..... 9
 - Summary..... 10
- West Africa 11**
 - Incidents 11
 - Assessment..... 11
 - Nigeria / Niger Delta..... 11
 - Gulf of Guinea (Côte d'Ivoire to Gabon) / West Africa (Senegal to Angola) 13
- Western Indian Ocean 15**
 - Incidents 15
 - Assessment..... 16
 - Southern Red Sea – Gulf of Aden..... 16
 - Gulf of Oman – Persian Gulf..... 18
 - Somali Basin and wider Indian Ocean..... 19
- South East Asia 21**
 - Incidents 21
 - Assessment..... 21
 - Singapore and Malacca Straits, South China Sea, Indonesian archipelago, Sulu / Celebes Seas..... 21
- Definitions 24**
 - Threat levels 24
 - Incident types 24

Monthly Intelligence Report

This report includes an overview of attacks against merchant vessels over the past month in three focus regions (West Africa, the western part of the Indian Ocean and South East Asia) as well as assessments of different types of threats in these regions. These areas are currently considered to be the global regions where the threat of such attacks is most significant.

Advice given and recommendations made do not constitute a warranty of future results by Risk Intelligence or an assurance against risk. Recommendations made are based on information available at the time of writing. No express or implied warranty is given in respect of any judgment made or to changes or any unforeseen escalation of any factors affecting any such judgement.

Documents are for the benefit of the client only and may not be disclosed to any third parties without the prior written consent of Risk Intelligence; such consent not to be withheld unreasonably. The client agrees to indemnify Risk Intelligence against any claims and any resulting damages that may be caused by any unauthorised disclosure of such documents.

Monthly focus: Iran's foreign policy – and why it matters

Background

Almost three months after the 7 October attack by Hamas against Israel, the Iranian government remains tight-lipped about its intentions. Iranian-backed groups throughout the Middle East have conducted various kinds of actions, ranging from cross-border attacks by Hezbollah to strikes against US bases in Iraq by militant groups in the country. In addition, Houthi forces in Yemen have been successful in driving Israel-linked ships from the Red Sea through their campaign that had started with missile and drone launches against southern Israeli targets in late October.

Despite a significant amount of violence, neither the Houthis nor Hezbollah have an interest in too much escalation. Both groups are backed by Iran but their political priorities are first and foremost domestic. Meanwhile, Iran itself is moving cautiously.



Hezbollah fighters during an exercise in May 2023 (Photo: Social media)

Iran's regional influence

Iran spends significant resources on its rivalry with Israel. Perhaps most importantly, this policy is meant for domestic consumption. Iran's frontal opposition to Israel serves to legitimise its foreign policy and justify the resources allotted to the security apparatus despite a complicated economic situation under Western economic sanctions.

At the same time, Iran's anti-Israel stance allows it to capitalise on widespread sentiment in the Middle East against what is perceived as colonial occupation of Palestine. To those who will listen, Iran can argue that it is the only state willing and able to act.

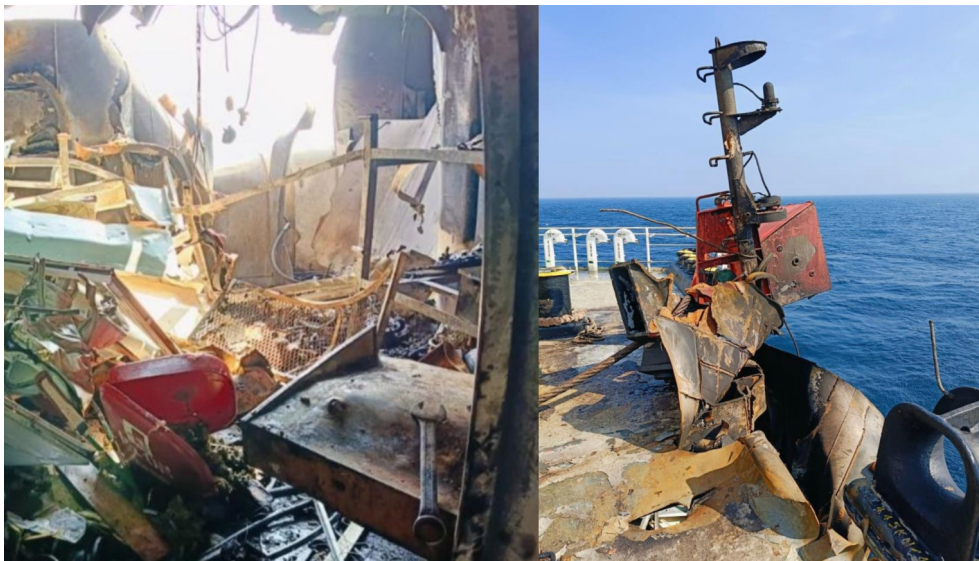
The Iranian government's "willingness to act" is the linchpin of its regional influence. It projects Iran as a reliable ally in contrast with the US and other Western powers. The vacillations of

Western policy have contrasted sharply with Iran's intractable hostility towards the US and Israel. Moreover, Iran has often – and to great fanfare – claimed the mantle of anti-imperialism. Such policies may involve meddling in other countries' domestic affairs, yet this is seemingly of no concern to its supporters.

Overall, Tehran's long-standing policies have cemented Iran's regional influence and the regime will go to great lengths to preserve its soft power. However, preserving the loyalty of its proxies means that Iran must stand by them in times of crisis. Having built a foreign policy around anti-Israeli rhetoric, Iran was caught off-guard by the Hamas attack in October and had to deal with the aftermath. Support for Hamas is necessary, simply because anything else would undermine the confidence of other proxy groups backed by Iran, resulting in weakened influence.

In a nutshell, Iran's network of proxies is useful as a “cheap” source of influence. These groups, however, have to be nurtured. At the same time, Iran does not want to engage in an all-out war with Israel or the US. The government therefore has to pursue two almost contradictory priorities: preserving its proxy network, which requires a reliable reputation based on hostility towards Israel, yet hostilities cannot go too far.

Strikes against merchant ships at sea are a highly useful option to get out of this dilemma. The Houthis have conducted such attacks at scale in the Red Sea but two other attacks against merchant vessels in the Arabian Sea (in November and December respectively) should be analysed in the same context.



Damages to the CHEM PLUTO after a drone attack in December 2023 (Photo: ANI)

Houthis and Hezbollah as maritime threats

Understanding current security dynamics in the Middle East requires at least some level of understanding of Iran's proxy network. An important reason to build such a network is the fact that Iran's capabilities are otherwise somewhat limited. On the maritime side, Iran does not have the naval capacities to significantly project power beyond its immediate neighbourhood.

Proxies expand those capabilities but with some caveats. These groups will not simply obey every order from Tehran. Instead, they have their own agency and their own priorities, often based on domestic considerations.

Hezbollah and the Houthis are the most significant groups in the maritime context. Both have received backing from Iran but remain first and foremost local movements that would very likely continue to exist without such external support, albeit arguably on a smaller scale.

By and large, Hezbollah and the Houthis are aligned with Iran, but their capabilities are not entirely dependent on a close relationship with Tehran. When Iran's government asks either of these groups to engage in certain actions, it is not as simple as an employer giving an order. Any request is rather based on mutual interests.

Hezbollah has infiltrated the Lebanese state and stands to benefit substantially from oil and gas production in the eastern Mediterranean. Likewise, the Houthis will seek to preserve the significant tax income from trade flowing through the port of Hudaydah.

Due to their own agendas on the domestic level, neither group is willing to carry out indiscriminate attacks against maritime targets. The Houthis may have been accused of such behaviour in recent weeks yet such accusations are not based on a thorough analysis of their attacks against merchant ships which have been selected as targets in the Red Sea.

Outlook

Since the outbreak of the war in Gaza, Hezbollah has been unlikely to engage in large-scale offensive operations against a mobilised Israeli military. Meanwhile, the Houthis are not a credible threat to Israel's existence although they have been able to inflict at least some economic damage on Israel which is heavily reliant on maritime trade.

Iran itself is unlikely to waste its most valuable proxies in a war which they stand no chance of winning. Hezbollah losing a war it started would mean fewer fighters and resources in Lebanon and Syria and therefore much less credibility in Lebanon. Serious ripple effects for Iranian influence throughout the region would be very likely. It is important to note, however, that the perception of Hezbollah's actions will change if Israel's government decides to engage in a large-scale offensive to deal with the threat on the northern border, including a military incursion into Lebanon.

The Houthis have been careful to manage the situation in the Red Sea. While the US has established Operation Prosperity Guardian to protect merchant shipping together with several contributing nations, the operation remains defensive. Strikes against Houthi targets are possible but US statements so far have been extremely careful to avoid a potential escalation of the conflict with a highly uncertain outcome.

Moreover, Saudi Arabia in particular has so far refrained from criticising the Houthis in neighbouring Yemen which is a noticeable difference from Saudi rhetoric in the past. Prior to the ongoing negotiations to end the civil war in Yemen, Saudi military statements about interceptions of drone boats generally highlighted the threat for international shipping even though these

operations were specifically targeted at Saudi assets. Overall, it is very unlikely that the Houthis will engage in indiscriminate attacks against merchant vessels as they do not want to jeopardise a potential peace deal with Saudi Arabia and the resulting political and economic benefits.

While this current dynamic is likely to dominate in the short term, Iran likely considers the rhythm and duration of "required" escalation to be determined by Israel's operations in Gaza. The longer the Israeli operation in Gaza lasts, the more likely Iran will have to up the ante to preserve its interests, and the more likely a misstep is to occur.

Moreover, there is always the chance of a "rogue decision" or a change in strategy by Iran or the plethora of armed groups backed by Tehran. The current dynamic therefore remains highly volatile and must be closely monitored to assess potential impacts on day-to-day commercial operations throughout the region.

Additional services

The Risk Intelligence System provides clients with real-time intelligence and situational awareness that will assist in avoidance of threats for operations around the globe. Moreover, Risk Intelligence offers ship operators the possibility to purchase security intelligence for individual ports and terminals. Bespoke services such as vessel-specific or voyage-specific risk assessments can also help to determine and to mitigate persistent or emerging security threats and risks.

In addition, frequent webinars provide in-depth updates, mini masterclasses in situational awareness methodology, and analysis of current events. Schedules and registration forms can be found at riskintelligence.eu/webinars.

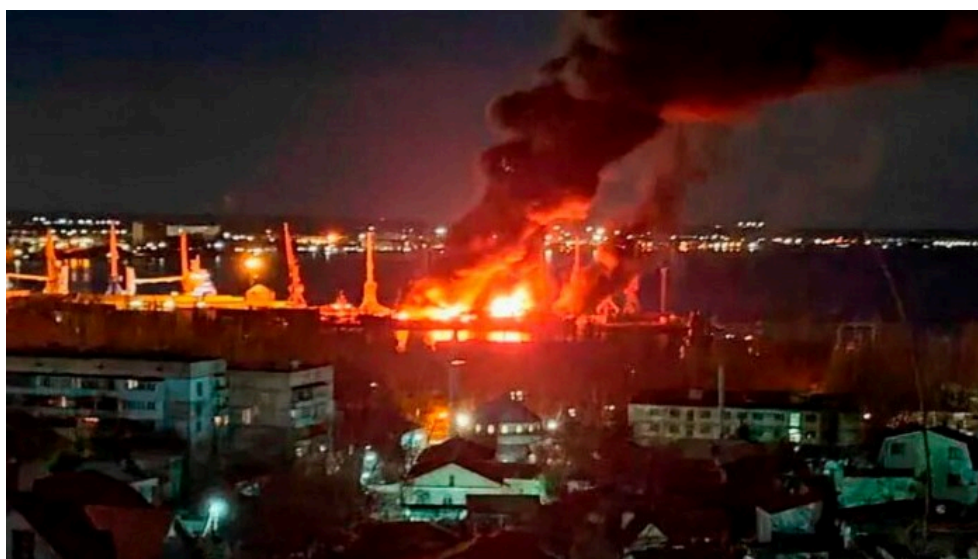
Update: Maritime dimensions of the war in Ukraine

Situation on land

December weather conditions have impacted operations, both military and maritime. The war in Ukraine continues with both Ukrainian and Russian forces each attempting to position themselves with an advantage over the other for the coming months. At the same time, the war continues to influence the general security environment, with ongoing targeting of Ukrainian civilian infrastructure by Russian forces across the country.

The number of incidents recorded during December was significantly lower than in November, yet Russian forces continued the shelling of Ukrainian Black Sea and Danube port facilities. In addition, there remains ongoing uncertainty regarding drifting mines, highlighted by a bulk carrier being damaged by a mine off the Sulina Canal in late December.

The degree to which individual port operations are directly affected varies and remains difficult to determine. Some port operations are known have been affected due to damage caused by attacks either directly against port facilities or indirectly as part of power cuts or similar and some incidents have also directly involved merchant ships, though it is not assessed that the respective vessels were the intended targets.



The Russian landing ship NOVOCHERKASSK was hit by cruise missiles at a port in Crimea on 26 December (Photo: Ukraine Southern Defence Forces)

Both Russian and Ukrainian forces have made claims of successful offensive operations during December, including the destruction of the Russian landing ship NOVOCHERKASSK in a Crimean port. However, fighting continues and any claimed outcome remains uncertain. Fighting remains concentrated mainly in southern and eastern parts of Ukraine. Local weather will continue to influence the overall threat picture, which is very likely to remain volatile in the coming weeks.

Black Sea

Overall, the Black Sea saw fewer incidents compared with November – weather conditions are assessed as impacting this. Nevertheless, both the Ukrainian and Russian military continued to launch operations, with Russia targeting the Ukrainian Danube ports and Ukraine targeting Russian forces on Crimea. Similar attacks are assessed as likely to continue to occur. Although some mine-clearing operations are taking place in Romanian and Bulgarian waters, the extent is unknown and an incident on 27 December involving a bulk carrier underlined that the mine threat remains a serious issue for merchant ships during voyages to and from Ukrainian ports.

Reports on 17 December noted that Russia expressed no interest in returning to the previous UN-backed Black Sea Grain Initiative. Although it was reported that the decision to withdraw had been a political one, Russia continues to export its own grain to its own buyers. This statement further strengthened the work towards a more permanent establishment of the Ukrainian ‘humanitarian corridor’, which initially was announced for the evacuation of vessels from the ports of Odessa, Chornomorsk and Pivdenny.

Since the first vessel departed in September, the corridor has been used for various shipments, including grain and metals. Coordination with the Ukrainian Navy is required, likely to avoid unnecessary disruptions to both commercial and military operations. The ‘humanitarian corridor’ is operating, including an insurance arrangement between Ukrainian banks and UK-based marine insurers. However, local winter weather conditions have raised fears of the possible impact from mines as the weather may disperse them over a greater area.

With an increase in the number of vessels using the ‘humanitarian corridor’, Russia is likely to continue or even increase its attempts to disrupt this trade by various means, including increasing the intensity of attacks on Ukrainian ports. Although it would be a significant escalation, both sides could also act on earlier warnings towards commercial vessels going to Russian and Ukrainian ports respectively as legitimate military targets. However, this is very likely dependent on specific and individual circumstances as well as military developments on land.

The ongoing Russian focus of targeting Ukrainian port infrastructure is likely to continue which results in a heightened likelihood of collateral damage for vessels at berth – as previous incidents have proven – or direct missile hits, though likely unintended. The north-western part of the Black Sea near the Ukrainian and Crimean coasts, including the Sea of Azov and the Kerch Strait, is still assessed as prohibited area of navigation by the Russian Navy.

Vessels transiting the Kerch Strait and Sea of Azov are assumed to have Russian permission. The operational status of Berdyansk and Mariupol remains disputed. Russian officials claim both ports are open and operating. Ukrainian authorities have previously stated that they would remain closed until again under Ukrainian control.

Port operations

Ukrainian Black Sea ports are understood to be closed to normal operations but the ports of Odessa, Chornomorsk and Yuzhny all handle vessels which have used the ‘humanitarian corridor’

announced by the Ukrainian Navy. This is likely to continue but will be influenced by the overall security situation and political and diplomatic developments.

Ukrainian Danube ports are operating. However, delays and operational disruptions are known to have occurred and continued in December, often due to weather conditions. Drifting mines, pilot shortages and disruptions due to Russian attacks also occur. As Russian missile and drone attacks are likely to continue, future delays and disruptions cannot be ruled out.

Summary

The war in Ukraine is unlikely to conclude in the foreseeable future. Attacks against civilian, including maritime, infrastructure are therefore likely to continue. It remains unclear to what degree Russia or Ukraine would enforce their threats against vessels transiting to each other's Black Sea ports as potential military targets. However, any such circumstances are assessed as most likely to be individual rather than a blanket approach. Collateral damage is still assessed as the most likely threat for merchant ships.

Any diplomatic breakthroughs, ceasefire agreements or any return to the previous regional security situation in the Black Sea continue to be assessed as unlikely and the volatile nature of the war means that the security situation can change at short notice. Major successful offensive operations by both Ukrainian and Russian forces appear unlikely. However, any such success would likely have a wider impact on the general security situation, including the maritime environment.

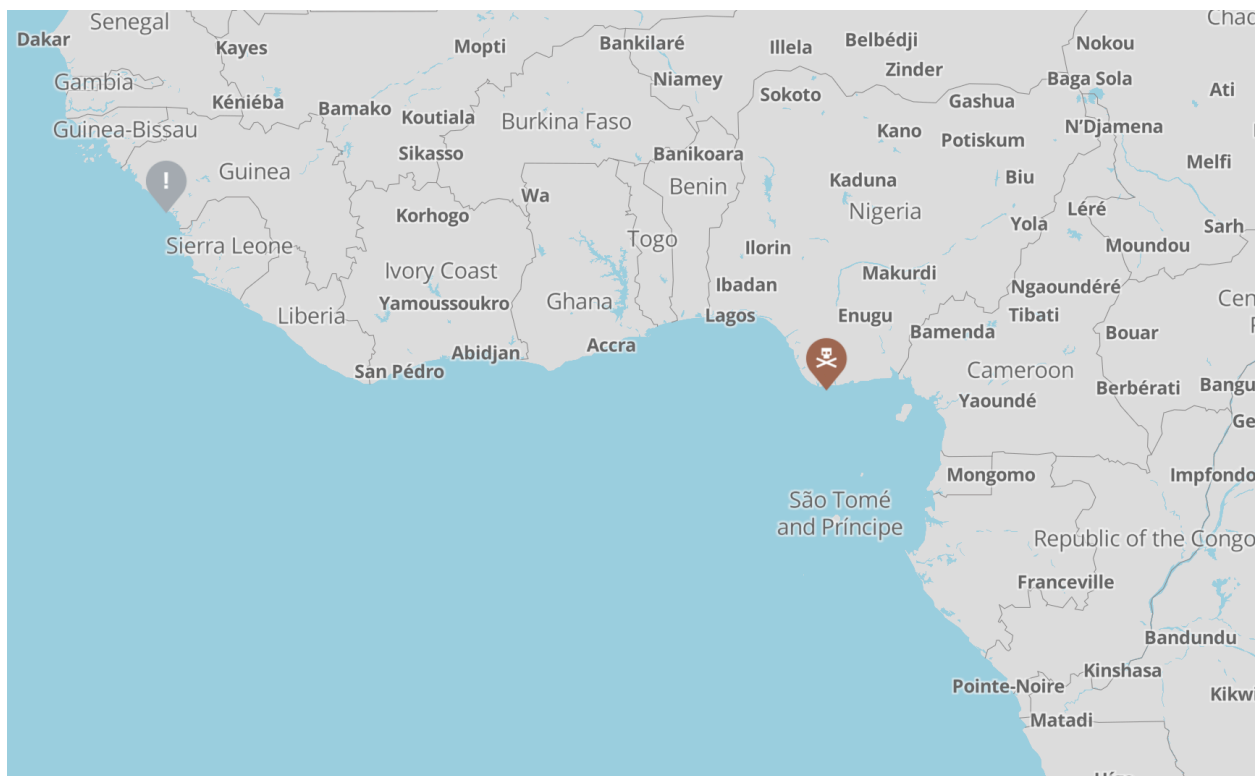
Merchant ship operations should take the possibility of collateral damage into account. The impact of future Ukrainian and Russian operations should be monitored closely. Risk Intelligence strongly recommends conducting thorough threat and risk assessments prior to any transit and to update contingency plans according to the current situation.

Further information

Risk Intelligence provides a weekly threat assessment for ports in the northern part of the Black Sea, covering both the operational and security situation. In addition, the report provides a concise overview of the current situation in Ukraine and the northern Black Sea, including constantly updated information regarding the status of exports of grain and other bulk cargoes from Ukrainian ports.

West Africa

Events included in this report occurred between 1 and 31 December 2023, shown on the map below (Source: Risk Intelligence System).



Incidents

2 December – Fishing vessel attacked

Kidnap/ransom, Off Bayelsa state (Nigeria)

18 December – Explosion in port of Conakry

Other maritime risk, Conakry (Guinea)

Assessment

Nigeria / Niger Delta

Attackers operating off the southern and eastern Niger Delta remain the most significant potential threat in the Gulf of Guinea. While few security incidents involving merchant ships have been reported in 2023, the threat level was underlined by several high-profile incidents in the first half of the year. Attacks against local vessels in or near the Niger Delta are also frequent, further highlighting the fragile security situation.

Crude oil theft and sales of illegally refined petroleum products reached record levels in 2022 and have remained a significant concern throughout 2023. Such operations have long provided constant revenues to organised criminal groups yet profit margins began to skyrocket in early 2021. Nigerian oil production and export levels remain significantly below the quota set by OPEC, resulting in major revenue shortfalls for Nigeria's government.

While the federal government has tried to improve the security situation, a political crisis in Rivers state threatens to derail these efforts. Port Harcourt, the state's capital, is considered to be Nigeria's 'oil capital'. The impeachment of the state governor – who had only been elected earlier in 2023 – was dropped after an intervention by President Bola Tinubu. Lingering tensions, however, have led to fears over ethnic clashes which could spread to other Niger Delta states.



Fires at illegal refineries and sites for illegal fuel sales have led to hundreds of deaths in the Niger Delta in 2023 (Photo: Nigerian Media)

The overall situation in the Niger Delta is closely linked to oil and gas revenues which are crucial for federal and state-level budgets. Short-term improvements may help to boost crude oil production and to finance urgent expenditures, especially on the federal level. However, "paying off" criminal or militant groups in the Niger Delta through security contracts is very unlikely to be a successful long-term strategy. Maritime operators should therefore monitor developments which may include an uptick in attacks against merchant ships at sea in the coming months.

Successful boardings of merchant ships remain most likely on "low and slow" types such as small bulk carriers or product tankers, offshore supply ships or fishing vessels. However, other vessels may also be targeted. Weather conditions during the dry season – which will last until about April – make it possible to operate small boats even deep offshore. Attacks may therefore take place at significant distances from the coastline.

For ongoing operations, crew vigilance and measures recommended in *BMP West Africa* remain important to mitigate risks. This may include the use of security escort vessels off Nigeria. These can be offered by several dozens of companies which have signed a memorandum of understanding (MoU) with the Nigerian Navy; the most recent version of this document was officially published in June 2021. The MoU remains the legal basis for additional security measures employed in the Nigerian maritime domain (territorial waters and EEZ). MoU

signatories are authorised to provide escort vessels partly manned by naval personnel which cannot operate outside of Nigeria's EEZ.

In addition, it is vital to carefully analyse all security-related incidents. Many cases which are simply reported as piracy involve vessels which are solely trading within the region. Such incidents are unlikely to be genuine pirate attacks aimed at random targets. Overall, it is important to recognise piracy as merely one symptom of insecurity at sea which is closely linked to other organised criminal activities.

In Nigeria, attacks against local shipping or military patrols highlight that kidnappings and other criminal activities remain a security threat which may affect merchant ships again in the coming months.

Forecast

The threat level in the coming month remains severe off the Niger Delta, despite limited numbers of incidents in recent months. Attacks are possible at distances of up to 250 nm from the coastline, particularly under favourable weather conditions during the dry season which is set to last until about March. All ship types may be targeted.

Inshore attacks against local passenger and cargo vessels or against military detachments remain a threat across the Niger Delta, underlined by various incidents in recent months. Such attacks are not a direct concern for merchant ships in international trade, but crews must be vigilant during river transits in the Niger Delta.

Gulf of Guinea (Côte d'Ivoire to Gabon) / West Africa (Senegal to Angola)

There were no maritime security incidents reported in December, although a large-scale explosion at the oil terminal in the port of Conakry (Guinea) was noteworthy. At least 24 people were killed and more than 450 injured, the fire was only extinguished several days after the incident. It remains unclear what caused the explosion but military personnel had to step in to quell civil unrest in the aftermath.

The explosion took place only a few weeks after an attack against a large prison in Conakry. During the attack, the perpetrators tried to free four leaders of a coup in 2008 who are accused of being responsible for a massacre of civilians. No direct links between both incidents have so far been established but both events further highlight growing instability in Guinea which is still under the rule of Mamady Doumbouya who came to power in a military coup in September 2021.

Overall, the number of maritime security incidents in 2023 has been low compared with previous years. Despite this improvement, limited naval and law enforcement capabilities as well as a lack of cooperation between different agencies on the national and regional level remain issues which have a negative impact on maritime security.

Limited financial and human resources will remain another concern for navies across the region in the coming years. Maritime operators should therefore not interpret a low number of incidents as a significant reduction of the threat level. Criminal activities at sea remain closely linked. Illegal fishing, smuggling as well as other illicit operations have even increased in the recent past. Alleged pirate attacks may also be a cover for other types of illicit activities.

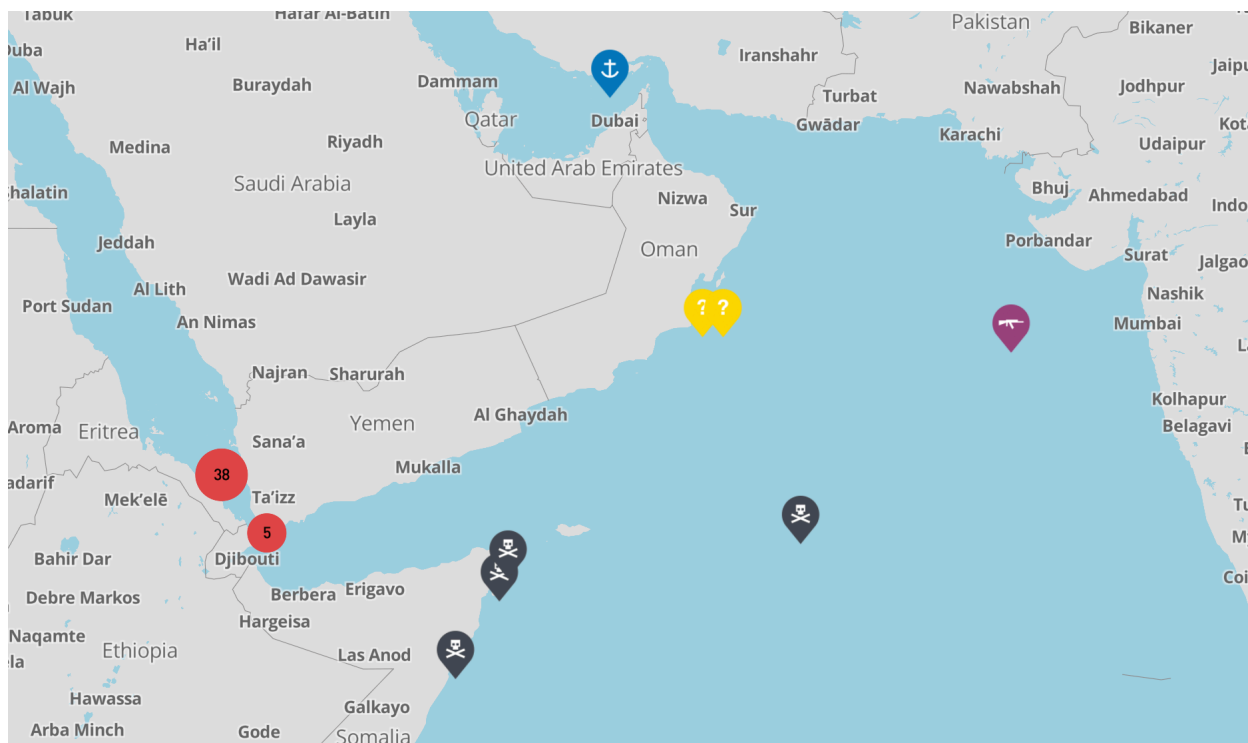
Forecast

Throughout the Gulf of Guinea, the threat of kidnap-for-ransom attacks is assessed as moderate to high for the coming month, depending on the distance from the Niger Delta coastline where perpetrators can protect hostages from security forces and rival gangs during ransom negotiations. The threat level for vessel hijackings is assessed as low.

Across countries in West and Central Africa, perpetrators may try to board berthed or anchored vessels. Around most anchorages, the amount of small boat traffic is virtually impossible to control for security agencies. Threat levels vary between different ports, but perpetrators will generally escape upon discovery.

Western Indian Ocean

Events included in this report occurred between 1 and 31 December 2023, shown on the map below (Source: Risk Intelligence System).



Incidents

A complete list of incidents in the Red Sea and the Bab el Mandeb area can be found on the Risk Intelligence System as well as in the frequently updated "Security Threat Update – Red Sea" (provided for free to all subscribers to the Risk Intelligence System until end of January).

6 December – Vessels reportedly seized for fuel smuggling

Naval operation, Persian Gulf

11, 13, 18, 19, 25 December – Vessels reporting suspicious incidents

Suspicious activity, Gulf of Oman and Gulf of Aden

14 December – Bulk carrier RUEN attacked

Hijacking, Somali Basin

22 December – Dhow hijacked off Somalia

Hijacking, Somali Basin

23 December – Product tanker CHEM PLUTO attacked

Hybrid operation, Arabian Sea

26 December – Fishing vessel FATA AL KHAIR attacked

Hijacking, Somali Basin

30 December – Dhow AL SAQAR attacked

Hijacking, Somali Basin

Assessment

Southern Red Sea – Gulf of Aden

This area covers shipping routes which are affected by the conflict and political dynamics in Yemen, including the now the expanded operations by Houthi forces to target shipping linked to Israel. There has been a dramatic expansion in the Houthi campaign which has led to several vessels being targeted by missile/drone attacks and by small boats. These attacks have taken place throughout the month off Yemen in the southern Red Sea, shown by the density of incidents on the map above. US and other naval forces have been active in the area, shooting down missiles and drones and providing assistance to merchant ships.



The US Navy destroyer GRAVELY has responded to several incidents in the Red Sea (Photo: US CENTCOM)

There is now a significant threat to merchant ships linked to Israel in this area. Such links may be port calls by the respective ships, owners/operators conducting trade with Israel in general or owners/operators being in commercial relationships with Israeli companies. While the threat level to vessels which are directly owned by Israeli companies is the highest, it should be noted that virtually no such vessels are currently transiting the Red Sea. Houthi forces have therefore significantly expanded potential targets and it might not immediately be clear why a vessel has been targeted as various commercial relationships and port calls have triggered attacks.

At the same time, it is important to highlight the increased threat of collateral damage, particularly in the southern Red Sea with dense maritime traffic. It is very likely that Houthi forces have missed

their intended targets on several occasions in recent weeks, increasing the potential for unintended strikes against other merchant ships.

This is a highly dynamic and evolving threat that must be monitored closely in light of ongoing incidents. For example, the MAERSK HANGZHOU was attacked by a missile on 30 December and then approached by four boats on 31 December to within 20 metres. The men in the boats fired small arms and other weapons and reportedly tried to board the container ship. Other vessels have also been approached by small craft during the month, identifying themselves as the 'Yemeni Navy' and trying to get the respective vessels to divert to Yemeni waters. The latest incident with the MAERSK HANGZHOU showed a new level of aggression. In this case, US Navy helicopters intervened, sinking three of the four boats and reportedly killing ten perpetrators.

Despite several announcements from shipping companies to avoid Red Sea passages, maritime traffic in this area remains dense. In December, the average number of merchant ships passing the Bab el Mandeb per day has been almost exactly on the same level as in December 2022.

No attacks were reported in the Gulf of Aden south of the Bab el Mandeb in December. This is an area where Houthi operations are more difficult, as the area is nominally under the control of the southern Yemeni government. However, several suspicious approaches of small craft were reported. It is not clear whether this was local traffic or Houthi craft operating at the edge of their range. Clearly identifying threats remains a challenge for merchant ships in this area. There was also a report of drone activity and it should be noted that the western part of the Gulf of Aden is in Houthi missile/drone range.

Forecast

The threat to vessels linked to Israel through various commercial relationships is expected to continue. There has been an increased naval presence in the area, which is having some impact, but a number of attacks in the last week of December shows the challenge of providing area defence to all merchant ships.

It is difficult to forecast the duration of the Houthi operations, which are intended to put economic pressure on Israel. It is also symbolic for the Houthi government as part of its public campaign against Israeli military operations in Gaza. If there is a breakthrough in this conflict, the Houthis might conclude that they 'have done enough' for the present time and scale back operations.

To date, the Houthis have not incurred significant costs, particularly in their normalisation talks with Saudi Arabia, to deter them from continuing. The US and UK are reportedly considering direct military action but it is too early to assess whether this would lead to a significant expansion of the current threats for merchant ships to other parts of the Middle East.

Gulf of Oman – Persian Gulf

Following the attack on the container vessel CMA CGM SYMI in November, there was another drone attack in this area. The Liberia-flagged product tanker CHEM PLUTO was attacked by at least one drone while underway in the Arabian Sea around 200 nautical miles off India on 23 December. The drone hit the stern of the ship and caused an explosion and a fire. The crew extinguished the fire and no injuries were reported. Indian naval assets then provided assistance.

Following the incident, the US military released a statement which said that the CHEM PLUTO was struck by a drone fired from Iran. Subsequent reporting noted that an Indian vessel escorted the tanker to Mumbai and made a damage assessment. "Analysis of the area of attack and debris found on CHEM PLUTO points towards a drone attack. However, further forensic and technical analysis will be required to establish the vector of attack, including type and amount of explosive used," the Indian Navy said in a statement.



Damage to the stern of the CHEM PLUTO (Photo: ANI / Social media)

Both attacks have been consistent with the previous modus operandi employed by Iran of limited strikes against specific vessels that are directly linked to Israel through ownership. Iran has undertaken these operations as a specific means to retaliate against Israel at a low level without substantial risks of escalation. These operations have demonstrated intentions and capabilities to strike against Israeli interests and are likely to take place in the Arabia Sea/Indian Ocean area rather than in the Persian Gulf.

Iran has reinvigorated its campaign against Israeli shipping interests after the start of the war in Gaza, even though the volume of attacks is currently much lower than in the Red Sea. Although Iran has land-based options through its proxy forces for putting pressure on Israel, it is likely that Iran wants to demonstrate ongoing intentions and capabilities in carrying out maritime attacks. The threat to vessels directly linked to Israel is therefore high throughout this area.

There were also two suspicious approaches reported off Oman in December. The exact nature of the small craft involved has not been confirmed. This would be an unusual location for craft from Yemen to be operating, or from Iran. Local traffic is therefore the most likely explanation. There is currently an understandable level of heightened vigilance by crew and armed guards on merchant vessels, and local craft can be hard to accurately identify.

Finally, Iran continues to detain the crude oil tanker ADVANTAGE SWEET, seized in April with a cargo bound for Houston. It is likely that there will be further operations by Iran linked to this dispute, or at least prolonged negotiations for the release of the ADVANTAGE SWEET. Vessels with US connections, through flag, ownership/management, or cargo, currently face a higher threat. Seizing vessels has been a successful strategy for Iran as it is typically able to secure concessions in return for the vessel's release. It is not unusual for vessels to be held for several months before a political compromise is reached. Iran also has ongoing operations against fuel smuggling, as seen by an incident this month, unrelated to its political disputes over oil trading.

Forecast

There has been a heightened threat to merchant vessels in the Gulf of Oman and Persian Gulf for some time, due to Iran's selective targeting of certain vessels to make broader political statements. Iran is balancing two priorities: the need to show leadership in 'resistance' to Israeli military operations in Gaza and the need to avoid an escalation in the conflict with Israel.

Low level operations – such as some degree of assistance to the current Houthi maritime campaign against Israeli shipping – help to show this leadership. Direct attacks on a limited scale, such as in November and December, likely serve to demonstrate ongoing capabilities and intentions, but without crossing certain escalation thresholds.

There is also a threat of potential vessel boardings and seizures as Iran has an extended record of such operations to resolve political and commercial disputes. The frequency of these incidents is difficult to predict but further cases are expected, particularly targeting US-linked vessels.

Somali Basin and wider Indian Ocean

Until November, there had been no confirmed pirate attacks since 2019 when international fishing vessels were targeted. An Iranian fishing vessel was reportedly hijacked on 23 November off Eyl in Somalia. There was a further report on 29 November of a fishing vessel being boarded and hijacked off Bosaso in Puntland.

This 'surge' in activity continued in December when three more locally operating fishing vessels were hijacked in the Somali Basin close to Somalia. Although all details of these incidents are yet to be confirmed, they are likely related to fishing disputes, like the incidents in November. Illegal

fishing is an ongoing issue, particularly as existing legal frameworks – including the issuing of fishing licences – have been poorly enforced and are likely subject to corruption. Local fishermen acting as ‘pirates’ are likely to be the perpetrators. Iranian vessels have been seized in the past and their crews held, with captives released as recently as 2022 and 2020.

Of greater concern to merchant vessels is the hijacking of the bulk carrier RUEN. The Malta-flagged ship was boarded around 400 nautical miles off Somalia on 14 December. According to reports from UKMTO, a vessel overheard a distress call on VHF indicating a boarding by unknown persons. Later information confirmed that the vessel was hijacked and that the pirates had broken into the citadel. Japanese, Spanish and Indian navy vessels responded to the hijacking and were also involved in the evacuation of an injured crew member.

At the time of publication of writing, there was no updated information on the RUEN. The vessel remains under control of the hijackers and is being held off the Somali coast between Bandarbeyla and Eyl, monitored by naval forces and Somali authorities. According to EUNAVFOR, the demands by the hijackers remain unknown.

Until there is more known about this hijacking, it is not clear if there is now an increased threat to merchant ships in transit. The incident location is a reminder that the capabilities of Somali ‘pirates’ have not diminished despite the absence of recent incidents. It might be that this hijacking was an attempt by disgruntled fishermen/former pirates to draw attention to fishing issues off Somalia, similar to the hijacking of fishing vessels seen this month. Large-scale pirate structures have been largely demolished in Somalia, a widespread return to piracy is therefore unlikely. However, the RUEN case shows that opportunistic hijackings can still take place.

In the vast majority of cases, encounters with local traffic should be benign and such traffic might be fishermen, traders, or smugglers (or all three). Skiffs will often pass close to merchant ships and the crew are likely to be armed, even if they are not showing weapons to avoid attracting attention from armed guards that might provoke an incident.

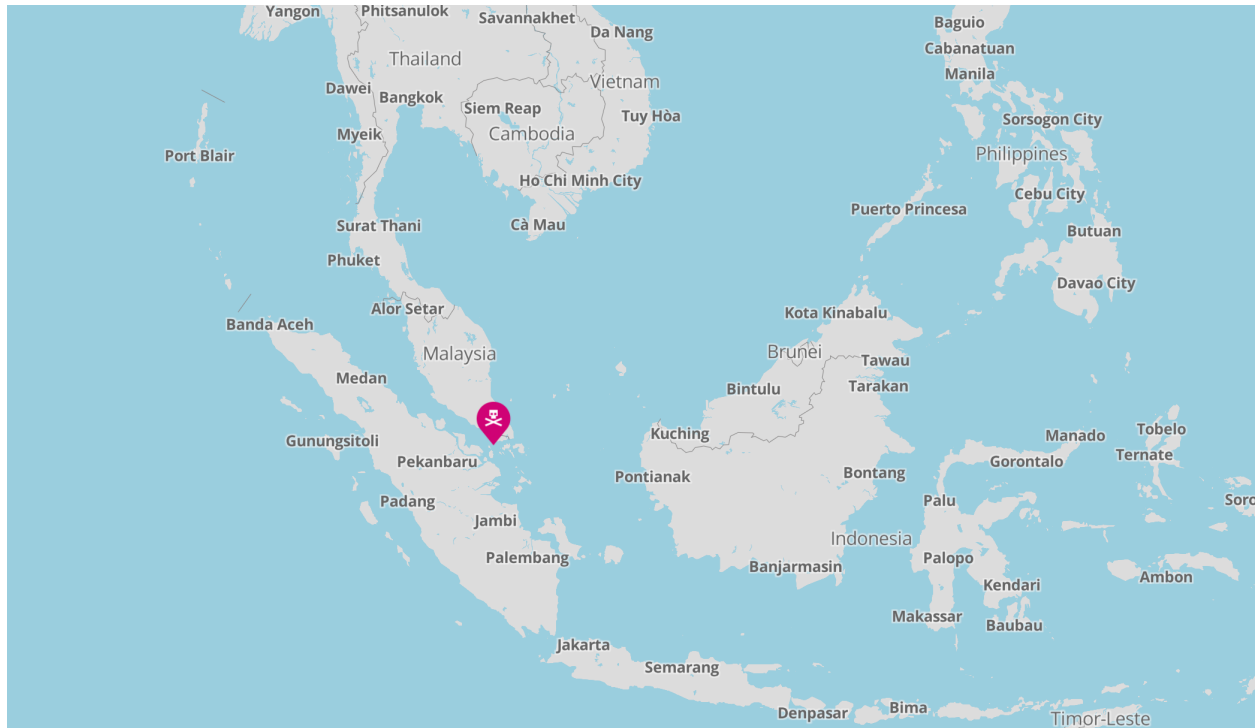
Forecast

Unless there is a resolution to the fishing disputes in Somalia, the hijacking of fishing vessels is likely to continue – but with little or no impact on merchant ships. It is currently unclear if there is a revival of the pirate threat to vessels in transit, but some level of opportunistic boardings remain possible in this area.

Proximity to the Somali coast can also lead to encounters with local militias or criminal operations but the threat level is low. Military operations continue in Somalia against militant/terrorist group al-Shabab. However, there is only a limited maritime dimension to this conflict which is not expected to affect merchant ships in transit.

South East Asia

Events included in this report occurred between 1 and 31 December 2023, shown on the map below (Source: Risk Intelligence System).



Incidents

7 December – Bulk carrier KONRAD SCHULTE boarded
Theft, Singapore Strait TSS

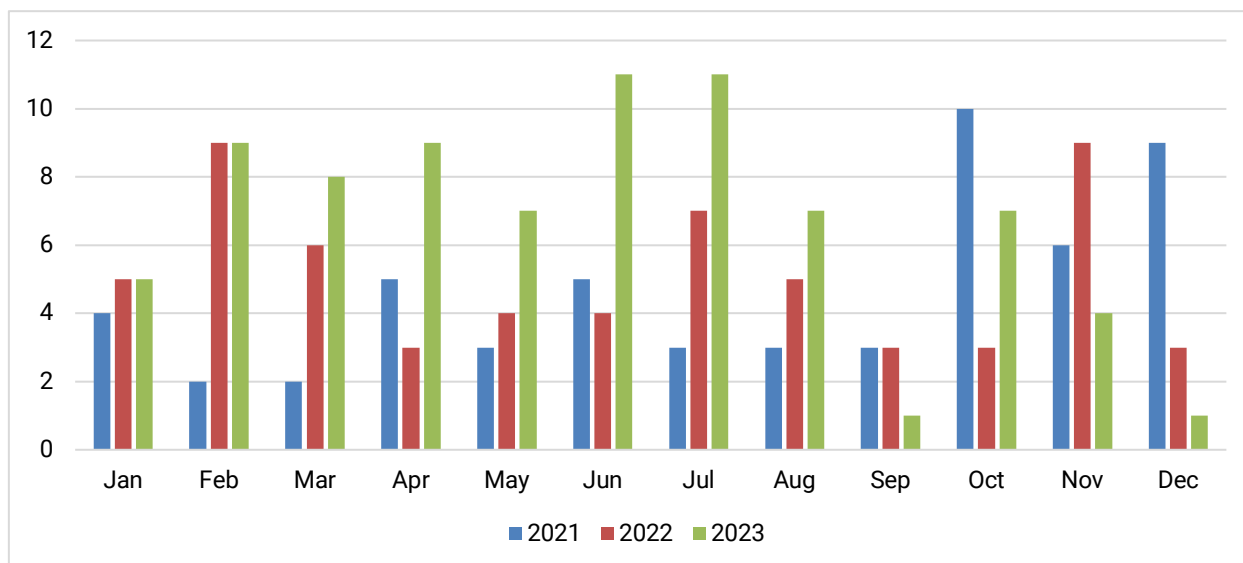
Assessment

Singapore and Malacca Straits, South China Sea, Indonesian archipelago, Sulu / Celebes Seas

Statistically, thieves and armed robbers operating along the Singapore Strait remain the most significant threat for merchant vessels, the location of the only reported vessel boarding in the region during December. Unfavorable weather conditions during December that followed the arrests of suspected perpetrators on Karimun Island at the end of October could have contributed to the reduction of reported incidents involving vessels underway in the strait.

Over the past 12 months, 63% percent of all reported incidents in the region have taken place in the Singapore Strait. Of these, 40% involved perpetrators that were reported as armed. It is likely that most perpetrators are actually carrying knives, even though these weapons may not be

observed by crew during incidents. As the borders of Indonesia, Malaysia and Singapore intersect in the Singapore Strait, perpetrators appear to take advantage of jurisdictional challenges there, improving their ability to escape.



Number of maritime security incidents in the Straits of Malacca and Singapore per month in 2021, 2022 and 2023 (Source: Risk Intelligence System)

During the past twelve months there have been 80 incidents in the straits of Malacca and Singapore (SOMS). Of these, 65 occurred in the Singapore Strait and 15 in the Malacca Strait. Of the total, 45 involved bulk carriers, 18 involved tankers, while 12 involved barges and other craft in tow. The outliers involved a general cargo vessel, OSVs, a rig and a pipe-laying barge (attacked two times). No incidents in the straits have involved container ships or passenger vessels.

Overall, during this period 81% of all SOMS incidents targeted vessels underway, all but three in the Singapore Strait. During the past twelve months, 65% of the Singapore Strait incidents have taken place in the western zone between Karimun and Batam. As coastal authorities have increased patrols, response times are generally quick when incidents are reported. While most perpetrators are armed with knives or machetes, they will rarely attack the crew unless provoked.

For the wider region, incidents typically encountered are non-violent boardings at anchorages and while alongside.

A notable incident in 2022 involved the hijacking of a bunker barge and the theft of its fuel cargo off Sulawesi. That incident, together with the unsolved theft of cargo from the OCEAN PRIDE in October 2021, illustrates that locally-trading tankers are vulnerable to hijackings, whilst larger tankers in international trade have not been targeted in recent years. These incidents, together with the illegal sale of fuel from a tug in the Johor Strait in March and regular law enforcement interventions in the region, further show that the black market trading of fuel at sea continues.

Armed robbers and thieves usually board vessels at night and target supplies and engine spares while avoiding crew. Areas with the highest frequency of criminal activity during the past twelve months include the Singapore Strait, the ports of Batangas, Belawan, Manila, Sandakan and Tanjung Priok. Boardings of vessels alongside are less frequent.

Aside from the Singapore Strait, boardings of vessels underway have also occurred in the Malacca Strait, the Natuna Sea and the southern South China Sea, although at a lower frequency. Most incidents in the region involve bulk carriers and tankers, with very few involving container vessels. Boardings of oil rigs are infrequent and generally involve the theft of equipment and supplies.

Moreover, some incidents during the past 12 months illustrate that crew members may be injured during attacks. In addition to the stabbing in October, an incident took place in June in which a seafarer suffered a head injury. In July 2022, perpetrators tied up and threatened a seafarer at gunpoint while stealing engine spares. Crew alertness is an important deterrent.

The March 2023 hijacking of a tug during which palm seed batches were stolen from the barge in tow and a similar incident off Sulawesi in January are the only confirmed hijackings for cargo theft in the region since 2017. In 2018, there was one failed incident which had the markings of a product theft attempt involving the LEE BO off Mersing, Malaysia in the South China Sea.

The arrests of gang leaders behind hijackings had effectively suppressed such crimes, despite occasional incidents involving small tankers and barges which are locally owned, managed and trading solely in the region. As prices remain relatively high, it is possible that illegal fuel sales in the South China Sea, Sulu/Celebes Seas and the Singapore Strait will increase. This increases the vulnerability of smaller tankers to potential hijackings, similar to the period from 2011 to 2017.

As a result of intensified military operations in the southern Philippines and eastern Malaysia, kidnap for ransom activity of the Abu Sayyaf Group and its affiliates has been significantly suppressed. No cargo vessels have been targeted in the Sulu/Celebes Seas since a failed attack in February 2018. Kidnappings of crew from tugs and fishing trawlers have not succeeded since January 2020.

Forecast

In the coming month, the threat of boardings of vessels that are underway or anchored for the purposes of theft or armed robbery is moderate. Higher threat locations include the Singapore Strait and anchorages at Batangas, Belawan, Dumai, Manila, Sandakan and Tanjung Priok. Lower threat levels are present in the southern South China Sea off the Malaysian peninsula, and the Natuna Sea off Pulau Mapur, Indonesia.

The threat of hijacking for product theft is moderate for locally trading small tankers. Hijackings in the region are infrequent due to effective law enforcement. The threat that internationally-trading tankers will be hijacked for cargo theft is assessed as low.

The threat of kidnappings of crew from merchant ships in the Sulu and Celebes Seas is low, particularly within the designated transit corridors. Fishing trawlers remain the most vulnerable craft with respect to ASG-related kidnapping operations, although other small craft, tugs, ferries and locally-trading vessels may also be vulnerable.

Definitions

Threat levels

The threat levels used in this report are as per the Risk Intelligence System and are assessed based on the likelihood and consequence of a particular threat type occurring. The threat levels are as follows:

- Low: Negligible impact on operations in the coming month due to the unlikely occurrence of threat-related activity.
- Moderate: Some potential for minimal impact on operations in the coming month due to occurrence of low- level threat-related activity.
- Elevated: Moderate impact on operations in the coming month is possible with some threat-related activity expected to occur.
- High: Potential for major impact on operations in the coming month due to the occurrence of significant threat- related activity.
- Severe: Potential for severe impact on operations in the coming month as significant threat-related activity is ongoing or expected to occur.

Incident types

The report covers the threats of piracy and armed robbery at sea in various forms but does not include other threats to merchant vessel operations such as stowaways or smuggling. All possible contingencies cannot be covered by any assessment and this report only includes an assessment of the threat for merchant vessels in general and not specific vessel types.

RiskIntelligence

Risk Intelligence A/S
Strandvejen 100
2900 Hellerup
Denmark

+45 7026 6230
riskintelligence.eu