No. 89

Piracy in Southeast Asia
New Trends, Issues and Responses

Catherine Zara Raymond

Institute of Defence and Strategic Studies
Singapore

OCTOBER 2005

With Compliments

The Institute of Defence and Strategic Studies (IDSS) was established in July 1996 as an autonomous research institute within the Nanyang Technological University. Its objectives are to:

- Conduct research on security, strategic and international issues.

- Provide general and graduate education in strategic studies, international relations, defence management and defence technology.

- Promote joint and exchange programmes with similar regional and international institutions; organise seminars/conferences on topics salient to the strategic and policy communities of the Asia-Pacific.

Constituents of IDSS include the International Centre for Political Violence and Terrorism Research (ICPVTR) and the Asian Programme for Negotiation and Conflict Management (APNCM).

Research

Through its Working Paper Series, *IDSS Commentaries* and other publications, the Institute seeks to share its research findings with the strategic studies and defence policy communities. The Institute's researchers are also encouraged to publish their writings in refereed journals. The focus of research is on issues relating to the security and stability of the Asia-Pacific region and their implications for Singapore and other countries in the region. The Institute has also established the S. Rajaratnam Professorship in Strategic Studies (named after Singapore's first Foreign Minister), to bring distinguished scholars to participate in the work of the Institute. Previous holders of the Chair include Professors Stephen Walt (Harvard University), Jack Snyder (Columbia University), Wang Jisi (Chinese Academy of Social Sciences), Alastair Iain Johnston (Harvard University) and John Mearsheimer (University of Chicago). A Visiting Research Fellow Programme also enables overseas scholars to carry out related research in the Institute.

Teaching

The Institute provides educational opportunities at an advanced level to professionals from both the private and public sectors in Singapore as well as overseas through graduate programmes, namely, the Master of Science in Strategic Studies, the Master of Science in International Relations and the Master of Science in International Political Economy. These programmes are conducted full-time and part-time by an international faculty. The Institute also has a Doctoral programme for research in these fields of study. In addition to these graduate programmes, the Institute also teaches various modules in courses conducted by the SAFTI Military Institute, SAF Warrant Officers' School, Civil Defence Academy, Singapore Technologies College, and the Defence and Home Affairs Ministries. The Institute also runs a one-semester course on '*The International Relations of the Asia Pacific*' for undergraduates in NTU.

Networking

The Institute convenes workshops, seminars and colloquia on aspects of international relations and security development that are of contemporary and historical significance. Highlights of the Institute's activities include a regular Colloquium on Strategic Trends in the 21st Century, the annual Asia Pacific Programme for Senior Military Officers (APPSMO) and the biennial Asia Pacific Security Conference (held in conjunction with Asian Aerospace). IDSS staff participate in Track II security dialogues and scholarly conferences in the Asia-Pacific. IDSS has contacts and collaborations with many international think tanks and research institutes throughout Asia, Europe and the United States. The Institute has also participated in research projects funded by the Ford Foundation and the Sasakawa Peace Foundation. It also serves as the Secretariat for the Council for Security Cooperation in the Asia-Pacific (CSCAP), Singapore. Through these activities, the Institute aims to develop and nurture a network of researchers whose collaborative efforts will yield new insights into security issues of interest to Singapore and the region

ABSTRACT

Piracy has plagued the region of Southeast Asia for many centuries and continues to do so to the present day. Despite increased efforts by the regional countries to reduce the problem, pirate attacks take place on an alarmingly regular basis in what are some of the world's most strategically important waterways. This paper will examine the phenomenon of piracy in Southeast Asia, in particular that which occurs in and around the waters of Indonesia and the Straits of Malacca. The trends which have emerged in recent years will be highlighted; specifically the types of attacks which take place, the different groups carrying out the attacks, the equipment they use and their targeting patterns. The study will then examine the causes of piracy, its impact and finally the responses of the region's states to the problem.

<p align="center">*********************</p>

Catherine Zara Raymond is an Associate Research Fellow at the Institute of Defence and Strategic Studies (IDSS), Nanyang Technological University, Singapore. She is currently involved in research into maritime terrorism and piracy, under the Institute's Maritime Security Program. She is co-editor and contributing author of the volume *Best of Times, Worst of Times; Maritime Security in the Asia-Pacific.* Her articles have been published in Maritime Studies Journal, the Journal of the Australian Naval Institute, the Straits Times and a number of other publications. Her latest paper is to be printed shortly in the Terrorism and Political Violence Journal.

She was previously an analyst at the Centre for the Study of Terrorism and Political Violence, St Andrews University, Scotland. Her research has been used for a book on the Al Qaeda terrorist network, British Ministry of Defense reports and the latest edition of the Jane's Counter Terrorism Manual. She has carried out research for Security Risk Management Consultancies and has conducted profiles on terrorist groups for governmental and non-governmental bodies.

PIRACY IN SOUTHEAST ASIA

New Trends, Issues and Responses

Introduction

In Southeast Asia piracy is continuing to take place on a daily basis and is showing no sign of abating.

It has been well documented that incidences of piracy rose sharply at the end of the last century, and although the trend is now slowly beginning to reverse in many of the affected areas, the pirate attacks themselves have taken on worrying new characteristics and it is possible to observe the emergence of a number of disturbing new trends.

Piracy in Southeast Asia has become significantly more violent in the last four years and this is reflected in the rising numbers of fatalities being reported. Another new trend is that of kidnap-for-ransom. Previously this tactic had been the reserve of terrorist groups like the Abu Sayyaf Group (ASG), which operates in and around the islands of the Philippines' Sulu and Basilan provinces and in the Tawi-Tawi chain of islands that stretches south to the northeastern coast of Malaysia's Sabah state.[1] In the last few years ASG has been successfully boarding vessels, kidnapping members of the crew and demanding a ransom for their release. In what is an alarming development, it now seems that pirate groups themselves have adopted this tactic. According to the International Maritime Bureau (IMB), which collects and collates information on piracy attacks around the world, in 2004 alone there were an unprecedented number of kidnappings in which a total of 43 crewmembers were kidnapped by pirates in Southeast Asia. 36 of these attacks occurred in the Straits of Malacca, one of the world's most important international waterways.[2] What is more worrying is that the demands for ransom being made by the pirates are in most cases

---

[1] 'Abu Sayyaf Group', *FAS Intelligence Resource Program*, at
http://www.fas.org/irp/world/para/asg.htm <accessed 10 May 2005>
[2] Piracy & Armed Robbery Against Ships Annual Report, *ICC International Maritime Bureau*, 2004, p. 10.

met by the employers of those kidnapped in order to secure their release. This kind of response is likely to encourage the pirates to continue carrying out this type of attack.

What is made clear by these bold and unrelenting attacks is that governmental efforts aimed at curbing the problem are failing. Issues of sovereignty, international law, responsibility and resources (or a lack of them) are hampering regional efforts aimed at addressing the problem. As a result Southeast Asia, and in particular the waters around the Indonesian archipelago and the Straits of Malacca, will remain the highest risk zone for pirate attacks in the world. Real and comprehensive solutions to the problem must be developed at the regional level before the economic and human costs of piracy increase further.

This paper will examine the phenomenon of piracy in Southeast Asia, including new trends that have come to light. It will focus in particular on the world's most piracy-prone areas of Indonesia and the Straits of Malacca.   It will then go on to examine some of the anti-piracy measures that have been implemented. Their effectiveness will be analysed and their shortcomings will be explained. Finally some recommendations will be made as to the direction that future counter-measures should take.

Piracy or Armed Robbery?

From a strictly legal perspective there is very little piracy *per se* in the world today. The standard legal definition of piracy that is used in the United Nations Convention on the Law of the Sea, states that piracy is:

> (a) "any illegal acts of violence or detention, or any act of depredation, committed for private ends by the crew or the passengers of a private ship or a private aircraft, and directed:
>
>> (i) on the high seas, against another ship or aircraft, or against persons or property on board such ship or aircraft;
>>
>> (ii) against a ship, aircraft, persons or property in a place outside the jurisdiction of any State;
>
> (b) any act of voluntary participation in the operation of a ship or of an aircraft with knowledge of facts making it a pirate ship or aircraft;

(c) any act inciting or of intentionally facilitating an act described in sub-paragraph (a) or (b)." [3]

The problem with this definition is that most pirate attacks occur within the twelve-mile limit of a state's territorial waters and not on the high seas. Therefore such incidents are not legally considered piracy; they are in fact armed robbery. To overcome this problem the IMB has adopted the following broad definition:

> "Piracy is an act of boarding any vessel with the intent to commit theft or any other crime and with the intent or capability to use force in the furtherance of that act."[4]

However this wider definition, which covers all acts regardless of the location of the vessel, has no status in international law. For the purposes of this paper the IMB's definition of piracy will be adopted, as few acts of piracy in Southeast Asia take place on the high seas. Most attacks take place within territorial waters, as is the case along most of the Straits of Malacca, or within archipelagic waters such as those of Indonesia or the Philippines.

Southeast Asia – A Piracy Hotspot

Southeast Asia, with its vast and complex coastlines, encompassing both the Indonesian and Philippine archipelagos - whose islands total over 20,000 in number - has provided a fertile area for the growth of piracy. Targets are never in short supply. Approximately one-third of the world's trade and half of the world's oil passes through the Straits of Malacca - a waterway of great strategic importance that has been described as one of the *arteries* of the regional economy. Around 60, 000 ships transit the Straits on an annual basis. These vessels are particularly vulnerable when they are making their passage through narrow waterways of the Straits and the high degree of maritime traffic helps to provide cover for a perpetrator's attack. The tankers are easy prey to smaller boats with outboard motors that can travel up to three times faster than many of the tankers.

---

[3] Article 101, *United Nations Convention on the Law of the Sea*, at
http://www.un.org/Depts/los/convention_agreements/convention_overview_convention.htm <accessed 12 May 2005>
[4] 'Co-operation for Law & Order At Sea', *CSCAP Memo 5*, p. 14

Despite a slight decrease in the number of reported pirate attacks, Indonesia continues to record the highest number of attacks in the world with 93 reported incidents in 2004.[5] The Malacca Straits ranked second highest with 37 reported incidents, which was an increase from last year. Together, these two areas account for over a third of the total pirate attacks worldwide. There was also a surprising increase in the number of attempted and actual attacks which took place in Singapore. Whereas there were only two in 2003, eight were reported in 2004. Malaysia also witnessed an increase. The only area that saw a dramatic decrease was the Philippines, which recorded four attacks in 2004 as opposed to 12 in 2003.[6]

The Modus Operandi of Piracy Categorized

Harbour and Anchorage Attacks

This type of attack is most common in Indonesian waters and consists of the opportunistic boarding of a ship while it is berthed or at anchor in or near a harbour. 51 actual attacks out of a total of 72 that occurred in Indonesia fall into this category.[7] These attacks generally take place at night between the hours of 0100 and 0600 hrs. The criminals board a ship, steal what they can immediately lay their hands on - for example cash or electronic equipment - and escape, often without the knowledge of the crew. There is evidence of selective opening of containers or holds with high value cargoes, implying prior knowledge of the cargo manifest. This may be due to the fact that the perpetrators previously had access to the ship as employees of a shore-based contractor.

In Southeast Asia, these attacks tend to be less violent as the robbers are not interested in serious confrontations. In some cases it has been reported that the pirates fled empty-handed when surprised by an alert crew. The average take is less in this

---

[5]Piracy & Armed Robbery Against Ships Annual Report, *ICC International Maritime Bureau*, 2004, p. 16
[6] Ibid.
[7] Ibid., p. 8.

type of attack than other more sophisticated operations, and ranges from US$5,000 to US$10,000.[8]

Attacks Against Vessels at Sea: Robbery

This kind of piracy is often referred to as 'Asian' piracy. The sea areas dotted with islands and rocks which characterise the region form ideal hiding places for these 'hit and run' attacks, which have in the past taken place relatively frequently.

In this type of attack, the pirates come alongside a ship underway, usually at night, again most often between 0100 and 0600 hours, board it using grappling hooks and then take possession of cash and valuables from the ship's safe and the crew, including high-tech navigation equipment or whatever else they can seize quickly. In this type of attack the value of the stolen goods can be between US$10,000 and US$20,000.[9] In recent years there has been an increase in the number of incidents where several vessels intercept a target and open fire on the ship, forcing it to stop. In this style of attack the ship can be seized for up to a few hours by around five to ten pirates, although many attacks can be over within half an hour.

This mode of attack requires a certain amount of capital investment in boats and arms, and a certain degree of organisation is necessary in order to coordinate a large group and to obtain inside information regarding what a particular vessel is carrying.

In the last year-and-a-half there has been a drastic reduction in the number of robberies taking place in the Malacca and Singapore Straits. In 2004, there were eight reported robberies at sea out of a total of 41 attacks, whereas in 2003 there were 20 robberies out of a total of 36. The decrease in robberies at sea, as opposed to other types of piracy, some of which saw an increase over the same period, may be due to an increased awareness on the part of some crewmembers to the threat of piracy following the introduction of new maritime security requirements for vessels.

---

[8] Adam Young & Mark Valencia, Conflation of Piracy and Terrorism in Southeast Asia: Rectitude and Utility, *Contemporary Southeast Asia*, Vol. 25, No. 25, 2003, p. 272.

[9] Anthony Davis, Piracy in Southeast Asia shows signs of increased organization, *Jane's Intelligence Review,* 1 June 2004, p. 2.

Attacks Against Vessels at Sea: Hijacking

This brand of piracy involving a vessel underway may be less common but is far more serious. It involves the long-term seizure or hijacking of a vessel, perhaps for several days, while the cargo is unloaded at ports selected by the pirates or transferred to another vessel. In Southeast Asia, particularly in the late 1990s, the favourite cargo to steal was fuel oil that was easily sold onto a booming black-market.

This type of incident was not seen at all in 2003. It is believed that China's crackdown on black-market activity and the disruption of the international crime syndicates involved (several of which were believed to have been run by Indonesian-Chinese bosses) was a contributing factor. However, this positive development was short-lived as such an operation was recently carried out in an attack which took place on the 22 April 2005. At 5 am, gun-wielding pirates hijacked a vessel carrying a cargo of tin worth $4.6 million just off the Lingga Islands in Indonesian waters. The vessel, which was en route to Singapore, was boarded by the pirates, who then ordered the crew to sail the ship to Pasir Gudang port, in Malaysia's southern Johor state. The vessel docked in Pasir Gudang port for two days while the crew unloaded the tin into a warehouse under threat of being killed if they did not cooperate. On 25 April, the pirates ordered the ship back to Indonesian waters and escaped in a speedboat, leaving the crew uninjured.   After the incident was reported, authorities checked the warehouse and found the cargo of tin intact. The investigation continues.[10]

This kind of operation requires good intelligence gathering and careful planning as the risk of being caught is greater. However, so too is the potential return. There is a need for the pirates to have secured a location to dock and unload the cargo, or another ship to transfer it to. Reliable access to markets for their stolen cargo is also required. There must be a plan to deal with the hostages. They may also in some instances gain the compliance of the local authorities. Bribery is often used to achieve

---

[10]Worldwide Threat to Shipping Mariner Warning Information, Office of Naval Intelligence Civil Maritime Analysis Dept, 18 May 05, at
http://pollux.nss.nima.mil/MISC/wwtts/wwtts_20050518000000.txt <accessed 18 May 2005>

this goal. In some extreme cases, it is believed that officials may even provide pirates with information on vessels and cargoes in their areas of jurisdiction.

A variation of this category of attack is the permanent seizure of a vessel by pirates, wherein the vessel is turned into a "phantom ship"; the key difference being that once the pirates have disposed of the vessel's cargo, they do not abandon the vessel. In this type of attack the ship is then repainted and the crew dumped or killed. The ship then sails into a new port with a false name and forged documentation. Maritime certificate fraud is common in the maritime industry. The problem lies in the fact that it is possible to acquire, relatively easily, the legal documents needed to command a vessel, without any proof of qualifications. In these types of operations the vessel is often given a temporary six-month registration under a flag of convenience. This allows the vessels' owners to hide behind a wall of secrecy created by the dubious ownership structures of flag of convenience shipping. These vessels are then often used in various maritime criminal activities, such as to conduct pirate attacks and the smuggling of goods and people.

The most famous case of this kind was the hijacking of the Singaporean-owned *Petro Ranger*, in April 1998. A large tanker carrying a cargo of diesel and Jet-A1 fuel, the *Petro Ranger* was on its way from Singapore to Ho Chi Minh City. The vessel was taken over by pirates three hours out of Singaporean waters. The ship's name was painted over and it was renamed *MV Wilby*. Its Malaysian flag was exchanged for a Honduran one. A day later most of its cargo was transhipped into two other tankers in the Gulf of Thailand. The ship was sailed into port on China's Hainan Island, where the pirates passed themselves off as the ship's rightful crew. Despite the fact that the Chinese authorities arrested the pirates, they were released after only a few months in jail.[11]

In recent times there has been a shift away from the hijacking of larger freighters and tankers, and an increase in attacks against tugboats. In 2003, according to IMB statistics, a total of 13 vessels were hijacked in Southeast Asian waters. 10 out

---

[11] Anti-Shipping Activity Messages, 1998, at http://www.fas.org/irp/world/para/docs/ASAM-1998.htm

of the 13 hijacked ships were tugs either sailing alone or pulling barges.[12] Although the figures are lower for 2004, they show the same pattern of targeting: out of the eight hijackings that took place, five of the vessels were tugboats.[13] There was a concern that the stolen tugs could be used by terrorists to carry out attacks against shipping in the Straits of Malacca. Stories circulated in the media that these vessels could be packed with explosives and rammed into tankers carrying gas or petroleum products, or into port facilities close to large cities. The vessels could avoid suspicion given their small size and the fact that they are a common sight in ports and international waterways.

Kidnap-for-ransom

This category of piracy first emerged in 2001 and in the last two years there has been a rapid and worrying increase in the number cases in Southeast Asian waters. In 2004 alone there were 14 kidnap-for-ransom attacks in the Malacca and Singapore Straits. This was more than triple the number that occurred in 2003.

In a typical operation of this kind the attackers perform an armed takeover of the vessel (often the vessel is a small one, for example a tug boat) followed by the abduction of two or three senior crewmembers who are held ashore pending negotiations. The result is normally the release of the kidnapped crewmembers following the payment of a ransom by the crew's employers.[14] According to Noel Chong of the IMB, many of these attacks are likely to go unreported as ship owners want to avoid a backlash from the industry for giving into the demands of the pirates.[15] Ransoms demanded for the release of crew members can range from US$100,000 to US$200,000. However, the sum of money eventually paid to the attackers following negotiations is usually substantially lower, somewhere in the region of US$10,000 to US$20,000.

---

[12] Piracy & Armed Robbery Against Ships Annual Report, *ICC International Maritime Bureau*, 2003, p. 27 – 44.
[13] Piracy & Armed Robbery Against Ships Annual Report, *ICC International Maritime Bureau*, 2004, p. 29 – 43.
[14] Anthony Davis, Piracy in Southeast Asia shows signs of increased organization, *Jane's Intelligence Review,* 1 June 2004, p. 3.
[15] Ibid.

This new brand of piracy drew considerable media attention when two incidents occurred within days of each other in the Malacca Strait. In the first attack, which took place on 12 March 2005, an Indonesian chemical tanker was the target. 35 gunmen, who according to reports were armed with rocket launchers, stormed the tanker and kidnapped the captain and the chief engineer. The second attack took place a few days later on 14 March. The target this time was a Japanese-registered tugboat, which was towing a construction barge from Indonesia to Burma. Pirates in three fishing boats opened fire on the tug, forcing it to stop. The pirates stole US$7000 worth of navigational charts and documents and kidnapped three members of the crew. The attacks sparked a considerable reaction from the littoral states, Indonesia and Malaysia, which both launched rescue operations.

In the past, it was believed that, rather than pirates, terrorist groups such as ASG and the Free Aceh Movement, also known as GAM, were responsible for carrying out these attacks. GAM in particular was singled out as being responsible for the dramatic increase in attacks in Indonesian waters at the northern end of the Malacca Straits, off North Sumatra; this is traditionally one of its areas of operation. Since the 1970s GAM has been fighting a separatist war against the Indonesian Government, with the aim of creating an independent Islamic kingdom in the province of Aceh. The group is said to partly finance its terrorist activities through sea piracy and smuggling.[16] However, GAM has only ever admitted to carrying out one attack, which was against a boat being chartered by Exxon Mobil, in 2002.

One such attack attributed to GAM was the hijacking of the *Penrider,* en route from Singapore to Penang, in August 2003. The tanker, which was carrying fuel oil, was boarded 12 miles from Port Klang, Malaysia, in the Malacca Straits by eight to 14 armed pirates who kidnapped three crewmembers.[17] After protracted ransom negotiations, the hostages were returned unharmed. According to one member of the crew, the pirates were wearing military-style fatigues, spoke the Acehnese language and claimed to be Aceh soldiers. Some of the hostages were even taken to jungle

[16] Ralf Emmers, *Non-Traditional Security in the Asia-Pacific*, Eastern University Press, p. 37.
[17] New brand of piracy threatens oil tankers in Malacca Straits, *ICC Commercial Crime Services*, 2 Sept 2003, at http://www.iccwbo.org/ccs/news_archives/2003/piracy_ms.asp <accessed 6 Sept 2005>

hideouts in Aceh, where according to the statements made by the victims, the pirates made no secret of the fact that they belonged to GAM. [18]

Despite evidence pointing to the involvement of GAM, officials remain undecided. It would have been their first such attack so close to the Malaysian coast and so far south of Aceh. GAM also vehemently denied any involvement.

The rapid increase in incidents of kidnap-for-ransom has prompted many in the maritime security industry to come to a new conclusion - that these attacks are not necessarily perpetrated by terrorist groups but are the work of crime syndicates operating from fishing boats and staging copycat kidnaps which they see as an easy way to make money.

The Pirates

Small-scale Criminals

Pirate attacks in Southeast Asia are carried out by a variety of groups. However, the majority are perpetrated by small-scale petty criminals. For this reason, their attacks are less organised and more opportunistic. Their targets are mostly small vessels in port or anchorage, or those on local voyages between, for example, one Indonesian port and another. This category of pirate is also least likely to be well-armed. Most will carry knives or machetes but occasionally guns may also be used.

Those suspected of being involved in small-scale pirate attacks in and around the Straits of Malacca are believed to be mainly of Indonesian nationality, living in coastal settlements, who use piracy as a way of supplementing their inadequate living. There has also been some speculation that members of the Indonesian military may be involved in, or are carrying out, pirate attacks.

---

[18]Kate McGeown, 'Aceh rebels blamed for piracy', *BBC News Online*, 8 Sept 2003, at
http://newswww.bbc.net.uk/1/hi/world/asia-pacific/3090136.stm <accessed 21 May 2005>

Criminal Syndicates

The IMB believes that about five criminal syndicates – probably based in Indonesia and Malaysia – are responsible for most of the larger-scale hijackings in the Straits of Malacca.[19] These attacks feature well-trained personnel using fast boats, modern weapons and in some cases, sophisticated communications.[20] These groups are likely to have established links to the black market, where they would be able to dispose of their stolen cargo. They may also be in collusion with local authorities, who would be needed to guarantee a safe port for cargo to be unloaded or in some cases a secure berth where a vessel can be given a new identity. These pirate groups may have connections with warlords and political movements that are linked to terrorism.

Terrorist Groups

As was noted above, although there is very little evidence to substantiate it, the terrorist group GAM is often accused of being responsible for pirate attacks in the Straits of Malacca, the waters around Indonesia and even Malaysia. In the Philippines the line between piracy and terrorism is even more unclear. ASG, the Moro Islamic Liberation Front (MILF) and the Moro National Liberation Front (MNLF) all engage in maritime piracy to generate much needed funds.[21] There has even been speculation that some segments of ASG and GAM are undergoing a process of criminalisation.[22] In other words, they are becoming increasingly motivated by pecuniary rewards rather than ideological or political goals.[23]

---

[19] Simon Elegant, 'Dire Straits'. *Time Asia*, 6 Dec 2004, p. 2.

[20] 'Piracy and maritime terror in Southeast Asia', *Strategic Comments*, The International Institute for Strategic Studies, Vol. 10, Issue 6, 2004, at http://www.iiss.org/newsite/stratcomfree.php?scID=386 <accessed 22 May 2005>

[21] Eduardo Ma R Santos, Piracy & Armed Robbery Against Ships: Philippine Perspective, paper delivered at ISEAS conference: Maritime Security, Maritime Terrorism and Piracy in Southeast Asia, 23-24 September 2004, p. 5.

[22] If a group becomes motivated my pecuniary rewards, the acts that it carries out no longer fall under the definition of terrorism, which states that: Terrorism is "the unlawful use or threatened use of force or violence against people or property to coerce or intimidate governments or societies, often to achieve political, religious, or ideological objectives." At http://www.globalsecurity.org/military/library/policy/army/fm/100-20/10020gl.htm <Accessed 1 July 2005>

[23] Stefan Eklof, Political Piracy & Maritime Terrorism: A Comparison Between the Southern Philippines and the Straits of Malacca, *paper delivered at ISEAS conference: Maritime Security, Maritime Terrorism and Piracy in Southeast Asia*, 23-24 September 2004, p. 5.

The targets of these groups are often small, vulnerable vessels such as tugs or fishing boats. This is due to the fact that the target is not the vessel itself, or its cargo but the crewmembers, who can be kidnapped and held for ransom. In cases such as these, when the attack takes place in the Straits of Malacca or the waters around Indonesia, it is most likely that the hostages will be released unharmed. However, in the waters around the Philippines some of these attacks are carried out by the ASG, who have been known to kill hostages in the past.[24]

Equipment

Pirate boats are usually equipped with several outboard motors on the back, allowing them to go almost three times as fast as tankers. They often make use of modest radar systems to help them locate their targets. Pirates also use a low-tech version of stealth technology: that is "they choose boats made of wood, which are hard to spot on radar."[25] According to reports, pirates can be armed with weapons ranging from knives to rocket launchers, AK47 and M16 rifles.[26] However, in a typical attack the most common weapons are still knives and guns. The increase in the number of violent attacks in recent years, in particular the rise in the number of crewmembers killed or injured during attacks, suggests that more pirates are becoming heavily armed.

The Targets

The vessels most commonly targeted by pirates in Southeast Asia as a whole are bulk carriers. Almost a third of all attacks in Southeast Asia are against this type of vessel. This is due to a number of factors: bulk carriers may travel at a limited speed when making their way up the narrow waterways of the straits and they are also minimum freeboard ships. Thus the vessel is more easily boarded by pirates when it is

---

[24] The use of piracy by terrorist groups must not be confused with acts of maritime terrorism. It has been well documented that terrorist groups have resorted to criminal activities in order to generate funds for their political campaigns. However, these criminal acts are not in themselves acts of terrorism.

[25] Keith Bradsher, 'Threats and Responses: Seaborne Trade; Warnings from Al Qaeda Stir Fear that Terrorists May Attack Oil Tankers,' *New York Times*, 12 Dec 2002, p. 3

[26] Special Press Summary: Piracy in the Malacca Straits, *Virtual Information Centre*, 16 Feb 2005, p. 7.

underway. These vessels are vulnerable while at anchor or at berth because there is likely to be a reduced crew while they await the next cargo. Pirates have also attacked bulk carriers during cargo operations, when the crew is preoccupied with the task of loading the new cargo.

In the Straits of Malacca and Singapore specifically, over the last five years the most common targets have been tankers and general cargo vessels. These vessels are likely to be attacked firstly because they are numerous in these waters, and secondly because they are frequently engaged on local voyages closer to the coast, thereby making them easy targets for pirates lying in wait.

Causes of Piracy

The high rates of piracy now seen in Southeast Asia were caused initially by the harsh economic impact of the 1997 Asian financial crisis, when many people lost their jobs, adding to the poverty that already existed in some parts of the region. The deteriorating financial situation encouraged people, especially those in coastal areas, to use piracy as a way to supplement their income. The economic collapse also caused widespread political instability, in particular in Indonesia. As a result it was easier for people to pursue illegal methods of income generation. In addition, the Asian financial crisis caused the value of the Indonesian defence budget to decline by 65 percent from 1997 to 1998. This worsened the already tight fiscal problems and prevented the country from allocating more to its maritime security force.[27]

The increase in the amount of commercial traffic traversing the region's waterways is another factor which accounts for the rise in incidence of piracy. Sea-borne trade has doubled every decade since 1945 and shipbuilding tonnage worldwide has doubled since 1990.[28] This has substantially increased the number of potential targets for pirates to attack.

---

[27] Robert Dillon, "Piracy in Asia: A Growing Barrier to Maritime Trade", *The Heritage Foundation Backgrounder*, No. 1379, 22 June 2000, at
http://www.heritage.org/Research/AsiaandthePacific/BG1379.cfm <accessed 5 May 2005>.
[28] James Boutilier, The Best of Times, The Worst of Times: The Global Maritime Outlook 2004, *paper delivered at IDSS conference: Maritime Security in the Asia-Pacific*, 20-21 May 2004, p. 1.

Another problem is the growing trend towards the use of 'skeleton crews', in other words ships staffed with the minimum amount of people necessary. These crews will be asked to carry out multiple tasks at the operational level and will find it difficult to perform anti-piracy security measures. Thus, ships are more easily boarded and taken over by the pirates.

Piracy has always been endemic in the region; indeed, the colonial powers that came to the area in the 19th century were faced with managing the problem. However, in the past the incidences of piracy have been kept at lower levels than today. It is believed that frequent naval patrols and the political/military presence of colonial powers in the region, followed by the increased US-Soviet presence during the Cold War, were both contributing factors to the reduced levels of piracy up until the last decade.

The Impact of Piracy

Aside from the obvious and increasing human toll, piracy is responsible for rising economic and financial damage, to countries as well as the international shipping industry. Fraud, stolen cargoes, delayed trips, and increased insurance premiums are all consequences of piracy and have a direct economic effect on those on the receiving end of the crime.[29] The impact of piracy is hard to gauge in monetary terms. Estimates of global piracy costs range from as low as US$250 million[30] to US$16 billion a year.[31] However, the frequency and fiscal damage of piracy is less than that of shore-based crimes in many countries in Southeast Asia; therefore there is a tendency to place piracy low on the list of law enforcement priorities. This is true particularly for Indonesia whose defence and security resources are already stretched due to continued internal security problems and defence budget constraints. In addition, Indonesia benefits little from the trade that transits the Straits of Malacca.

[29] Mark Valencia, The Politics of Anti-Piracy and Anti-Terrorism Responses in Southeast Asia, *paper delivered at ISEAS conference: Maritime Security, Maritime Terrorism and Piracy in Southeast Asia*, 23-24 September 2004, p. 4
[30] Joshua Ho, 'Maritime Counter-terrorism: a Singapore Perspective', *IDSS Commentary*, at http://www.observerindia.com/reports/maritime/psingapore.pdf <accessed 15 May 2005>
[31] John Brandon, Protect Asia's Shipping, *PacNet News Letter*, 24 May 2002, at http://www.csis.org/pacfor/pac0221A.htm <accessed 16 May 2005>

Unlike Singapore and Malaysia it does not have a major port serviced by these pirate-infested waterways. The eastern coast of Sumatra, along which the Straits run, remains largely underdeveloped. For this reason amongst others, Indonesia has traditionally lagged behind its neighbours when it comes to maritime security.

One final and perhaps often understated issue is the potential for a pirate attack to cause a major environmental disaster. In the Philip Channel, in the Singapore Straits, the interval between ships proceeding in any one direction is only approximately twenty minutes.[32] During a pirate attack the crew is most often rounded up and held captive, and consequently unable to maintain a look-out and other navigational responsibilities, which are essential when transiting the region's narrow waterways. The potential environmental consequences of a collision involving an unmanned oil tanker are not hard to imagine.

The Response

As most piracy is legally considered armed robbery, any counter-measures are the responsibility of the state. The investigation, capture, prosecution and punishment of pirates who operate within territorial waters therefore varies due to the diverse national legal systems of the states in the region. However, given the transnational nature of piracy, bilateral and multilateral cooperative measures are needed to effectively deal with the problem. Unfortunately, obstacles to cooperation are numerous; concerns over the erosion of national sovereignty and differing political and economic priorities being the most difficult to overcome.

Despite these problems, in 2004 the region witnessed the introduction of two new important maritime security measures. One was the International Ship and Port Facility Security Code (ISPS Code), which was created by the International Maritime Organisation and introduced worldwide a range of new security requirements for vessels and port facilities. The other was the launch of the Trilateral Coordinated Patrol, which involved the navies of Malaysia, Indonesia and Singapore patrolling in a

---

[32] Jayant Abhyankar, Piracy, Armed Robbery & Terrorism at Sea in Southeast Asia; A Global & Regional Outlook, *paper delivered at ISEAS conference: Maritime Security, Maritime Terrorism and Piracy in Southeast Asia*, 23-24 September 2004, p. 9

coordinated fashion in their own territorial waters. Following the introduction of these two new measures in mid-2004, there was not, however, any significant reduction in the total number of piracy incidents in the region in the second half of 2004. The figures for the first quarter of 2005 are more promising; for example, Indonesia only recorded 16 attacks as opposed to 21 over the same time period last year.[33] However, this reduction is most probably a result of the devastation caused by the tsunami, which is likely to have either killed some of those involved in piracy or destroyed their boats and weapons, rather than because of any anti-piracy measures.

Although the ISPS Code significantly increased security awareness in the maritime industry, the standard of enforcement of the new IMO regulations has varied from country to country. This is especially true in the case of states that have on their shipping registers flags of convenience vessels. These states 'lack the resources or people with sufficient expertise to enforce the standards that are acceptable to the shipping community at large'.[34] In fact in the majority of cases, one could argue that although security plans may be in place and security officers designated, the unfortunate reality is that it is often crewmembers of a fairly low rank and with limited training who are tasked to implement the Code.

The Trilateral Coordinated Patrols were also limited in their ability to reduce piracy. The main problem being that there was lack of a provision for 'hot-pursuit' into each others' territorial waters. Although arrangements were put in place for communication to be established between the navies in the case of a cross-border chase to allow one navy to hand over to the other, they are unlikely to be as effective as the employment of 'hot-pursuit'.

More recently in 2005 a number of new measures have been or are in the process of being implemented in the region. In the latest development the littoral states, with Thailand as an observer, began joint air patrols over the Malacca Strait in a bid to boost security in the waterway. The three states will each donate two planes for the patrols, which have been dubbed the 'Eye in the Sky' plan. It is hoped that the

---

[33] Piracy & Armed Robbery Against Ships Annual Report, *ICC International Maritime Bureau*, 2005, p. 5.
[34] K. Matthews, 'Trade and Shipping: A Common Interest of the Asia-Pacific', *Australian Maritime Affairs*, 10, 2003, p. 54.

aerial patrols will provide a valuable supplement to the Trilateral Coordinated Patrols carried out by the navies of the littoral states. One significant advantage of the aerial patrols is that they will be able to fly for up to three nautical miles inside the territorial waters of the participating states. In the sea-patrols the navies were limited to patrolling in their own territorial waters.

Singapore, Japan, Laos and Cambodia became the first four states to formally adhere to the Regional Cooperation Agreement on Anti-Piracy (ReCAAP). Once six more of the participating states sign on, ReCAAP will enter into force and a new Information Sharing Centre will be set up in Singapore. The centre will facilitate communication and information exchanges between member countries and will improve the quality of statistics and reports on piracy and armed robbery against ships in the region.[35]

Malaysia has recently announced a number of new maritime security initiatives. Armed police officers will now be placed on board selected tug boats and barges traversing the Malacca Strait. In addition, an escort service initiated in March will now be provided for vessels carrying valuable cargo in the Strait. In the same month Kuala Lumpur also declared that it will start 24-hour radar surveillance of the Strait.[36] Due to become operational in November is Malaysia's new Maritime Enforcement Agency. The new agency, made up of personnel from the navy, police and other government agencies, will be responsible for ensuring the security of the country's maritime zone against threats such as piracy and terrorism.[37]

Singapore's new maritime security measures include the creation of Accompanying Sea Security Teams (ASSeT), which are tasked with boarding and escorting vessels singled out through shipping data analysis in order to detect and deter any criminal activity onboard these vessels and ensure that the threat is neutralized. Singapore has just completed the installation of new radars at Changi

---

[35] Julia Ng, 'Singapore, Japan, Laos and Cambodia Sign Pact to Fight Piracy', *ChannelNewsAsia* at http://www.channelnewsasia.com/stories/singaporelocalnews/view/144975/1/.html <accessed 20 May 2005>
[36] 'Malaysia to boost Malacca Straits Security with 24-hour radar system', *ChannelNews Asia* at http://www.channelnewsasia.com/stories/afp_asiapacific/view/136822/1/.html <accessed 1 June 2005>
[37] Ibid.

Naval base to increase the radar coverage of its territorial waters. In addition it has increased navy and coast-guard patrols in its waters. [38]

The Singaporean and Indonesian navies have launched a system that provides real-time radar surveillance for the Singapore Strait. The new system, known as SURPIC or the Surface Picture, Surveillance System, will be located on Batam Island in Indonesia.

Although still at the discussion level, Malaysia, Indonesia and the Philippines are considering allowing their naval forces to pursue pirates into each other's waters. If implemented, this new agreement would represent an unprecedented step in the fight against piracy.

Finally Indonesia, traditionally the weakest link in terms of maritime security in the region, has initiated a multi-faceted approach to improving security. This includes programmes aimed at alleviating poverty and improving welfare, in particular in those remote areas which border the Straits of Malacca and Singapore; increasing local people's awareness of law and regulations and strengthening sanctioning institutions.[39] It has also announced that its navy plans to buy up to 60 modern patrol vessels over the next decade in order to strengthen maritime security in its waters.[40]

These new measures, if successfully implemented, should significantly improve security in the region's waterways. The measures display a greater level of regional cooperation than seen previously. The implementation of ReCAAP and Indonesia's internal development programmes is also a welcome move away from the tendency to focus countermeasures on tackling the problem at sea.

In the meantime however, pirate attacks will continue in the region's waterways and ship owners are increasingly looking elsewhere for ways to enhance

---

[38] Interview with Col. Chng Teow Hiang, Commander of Coastal Command on 24 February 2005.

[39] Robert Mangindaan, 'Maritime Terrorist Threat: An Indonesian Perspective', *Observer Research Foundation Report*, at http://orfonline.org/reports/maritime/paper_indn.pdf, p. 3. <accessed at 19 May 2005>

[40] 'Indonesian navy plans fleet expansion to boost maritime security', *ABC News Online*, 12 Feb 2005, at http://www.abc.net.au/news/newsitems/200502/s1301509.htm <accessed at 18 May 2005>

their security. One solution that has rapidly gained popularity in recent months is the employment of private security companies who are offering armed escort services through the Straits. For between US$10,000 and US$100,000 a shipping company can have armed Gurkhas, escort vessels and helicopter scouts securing its passage through the Straits.[41] Despite assurances that the escorts merely act as a deterrent to potential attackers, they have provoked a strong response from the littoral states. Both Indonesia and Malaysia declared that these companies should not provide armed escorts through their waters. Malaysia even announced its plans to detain ships with private armed escorts.[42] However, the Malaysian Defence Minister subsequently stated that armed escorts would be allowed to pass though Malaysia's stretch of the Malacca Straits, provided that their passage is continuous and expeditious.

Recommendations & Conclusions

Piracy in Southeast Asia is likely to continue for some years to come. It will remain a major security concern for the shipping industry and governments alike. It also acts as a constant reminder of the potential ease with which terrorists could use similar tactics to carry out an attack. America's war on terrorism following 9/11 put maritime security under the spotlight and prompted the region's states to begin improving maritime security. This assertive posture must be maintained. Cooperation between the region's states must be deepened to include agreements on 'hot-pursuit' and more mechanisms for intelligence sharing.

In the Straits of Malacca the need to address the problem of piracy has just become even more urgent. Following a risk assessment of the area, the Joint War Committee (JWC) of Lloyd's Market Association declared the Straits a "high-risk zone" and added it to its list of areas which are at risk from war, strikes, terrorism and related perils. Others on the list are countries such as Iraq, Somalia and Lebanon. Indonesian ports along the Straits were also added to the list.

---

[41] Tracy Sua, 'For hire: Guardians of the sea; Several firms now offer escort vessels and mercenaries', *The Straits Times*, 15 April 2005.
[42] W. Soewriaatmadja, 'Indonesia Rules Out Private Armed Escorts in Malacca Straits', *Bloomburg News* at Bloomburg.com <accessed at 3 May 2005>

This move by the JWC could result in higher insurance premiums for the ships that transit the Straits or call at some Indonesian ports. When war risk premiums were applied to the Yemeni port of Aden, container shipping lines were forced to divert to neighbouring ports. The resulting impact on the Yemeni economy was severe.

Major users of the region's waterways must begin to accept a greater responsibility for enhancing maritime security. Japan is one user state that has contributed significantly to efforts to improve safety and security in the Straits of Malacca. For example, it is currently providing support to Indonesia in order to help it implement the ISPS Code in its ports. Japan's efforts could be used as a model for other states wishing to provide assistance - in particular in the areas of maritime enforcement capacity building, personnel training and resources - in the future.

It would be advantageous if all the Southeast Asian states signed the IMO's 1988 Convention on the Suppression of Unlawful Acts against the Safety of Maritime Navigation: "Ratification of the convention gives signatory governments the power to prosecute people caught in their own territorial waters for acts of piracy committed under another countries jurisdiction."[43] In Southeast Asia, only Singapore, Vietnam, Philippines, Myanmar and Brunei are signatories to this convention. ReCAAP should also be signed by those regional states that have not yet done so.

Finally, long-term solutions need to be found to address the root causes of piracy, which include poor socio-economic conditions. Indonesia's efforts in this area are a step in the right direction but more will need to be done in the near future, if the problem of piracy in Southeast Asia is to be resolved.

---

[43] Ronzitti, N., *Piracy and International Law,* Martinus Nijhoff publishers, 1990, p. 21

IDSS Working Paper Series

1. Vietnam-China Relations Since The End of The Cold War   (1998)
    Ang Cheng Guan

2. Multilateral Security Cooperation in the Asia-Pacific Region: Prospects and   (1999)
    Possibilities
    Desmond Ball

3. Reordering Asia: "Cooperative Security" or Concert of Powers?   (1999)
    Amitav Acharya

4. The South China Sea Dispute re-visited   (1999)
    Ang Cheng Guan

5. Continuity and Change In Malaysian Politics: Assessing the Buildup to the   (1999)
    1999-2000 General Elections
    Joseph Liow Chin Yong

6. 'Humanitarian Intervention in Kosovo' as Justified, Executed and Mediated   (2000)
    by NATO: Strategic Lessons for Singapore
    Kumar Ramakrishna

7. Taiwan's Future: Mongolia or Tibet?   (2001)
    Chien-peng (C.P.) Chung

8. Asia-Pacific Diploma*cies:* Reading Discontinuity in Late-Modern   (2001)
    Diplomatic Practice
    Tan See Seng

9. Framing "South Asia": Whose Imagined Region?   (2001)
    Sinderpal Singh

10. Explaining Indonesia's Relations with Singapore During the New Order   (2001)
    Period: The Case of Regime Maintenance and Foreign Policy
    Terence Lee Chek Liang

11. Human Security: Discourse, Statecraft, Emancipation   (2001)
    Tan See Seng

12. Globalization and its Implications for Southeast Asian Security: A   (2001)
    Vietnamese Perspective
    Nguyen Phuong Binh

13. Framework for Autonomy in Southeast Asia's Plural Societies   (2001)
    Miriam Coronel Ferrer

14. Burma: Protracted Conflict, Governance and Non-Traditional Security Issues (2001)
    Ananda Rajah