



CONFITARMA
Confederazione Italiana Armatori

Italian Shipping in the face of piracy problem

Speech of
President of CSO Group of Confitarma

Bruxelles, June 4, 2009

ITALIAN FLEET

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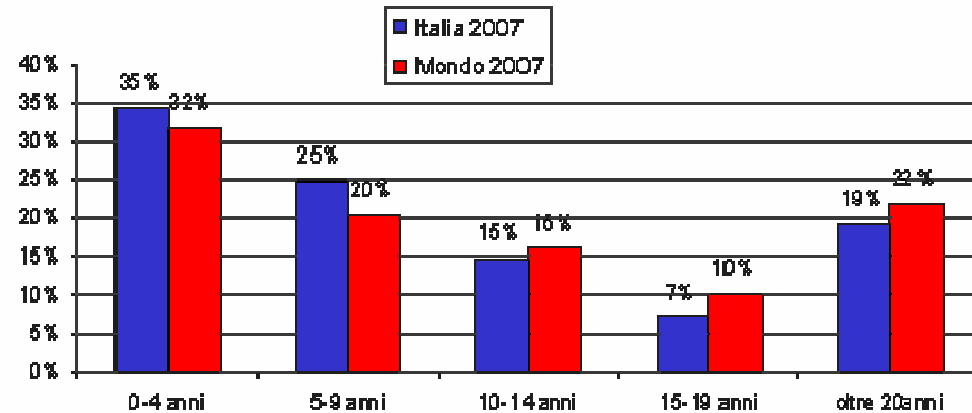
1.535 vessels
(+4% in comparison to 2006)

14 million of GTT
(+6.5% in comparison to 2006)

27 billion Euro
invested in the past 10
years

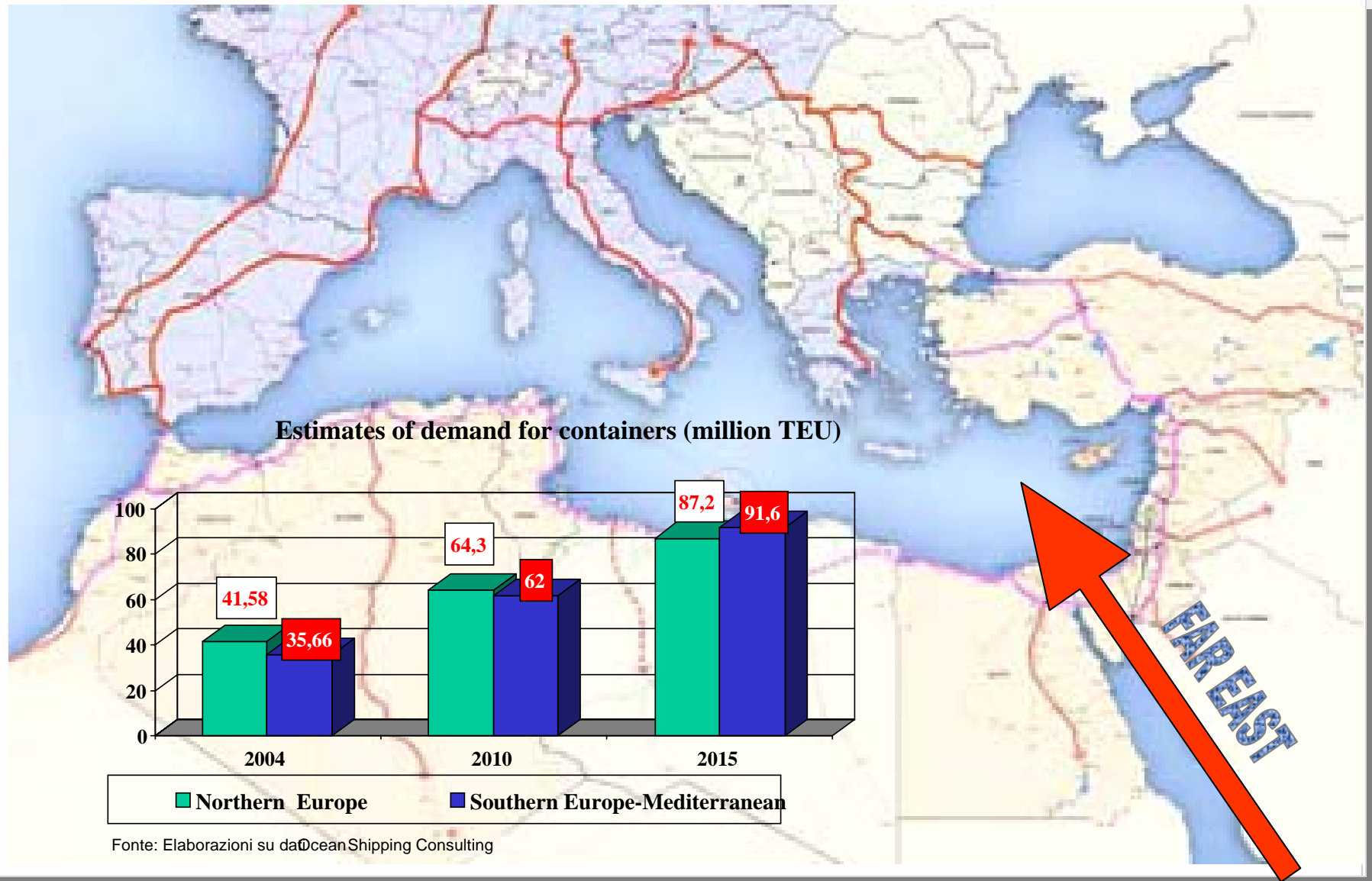
220 vessels
under construction

Age of Italian and Global Fleet



THE FUTURE OF OUR FLEET

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COMPULSORY PASSAGE

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IN A YEAR INSURANCE FEES FOR VESSELS TRANSITING THE GULF OF ADEN **RAISED 10 TIMES**. IT IS ESTIMATED THAT SUCH AN INCREASE REGARDING 20000 VESSELS THAT PASS THE SUEZ CANAL EVERY YEAR REACHES **400 MILLION USD**.



APPROXIMATELY 22 thousand VESSELS, 2 thousand OF WHICH ARE OF INTEREST TO ITALIAN BUSINESS AND **MORE THAN 600 FLY THE ITALIAN FLAG**

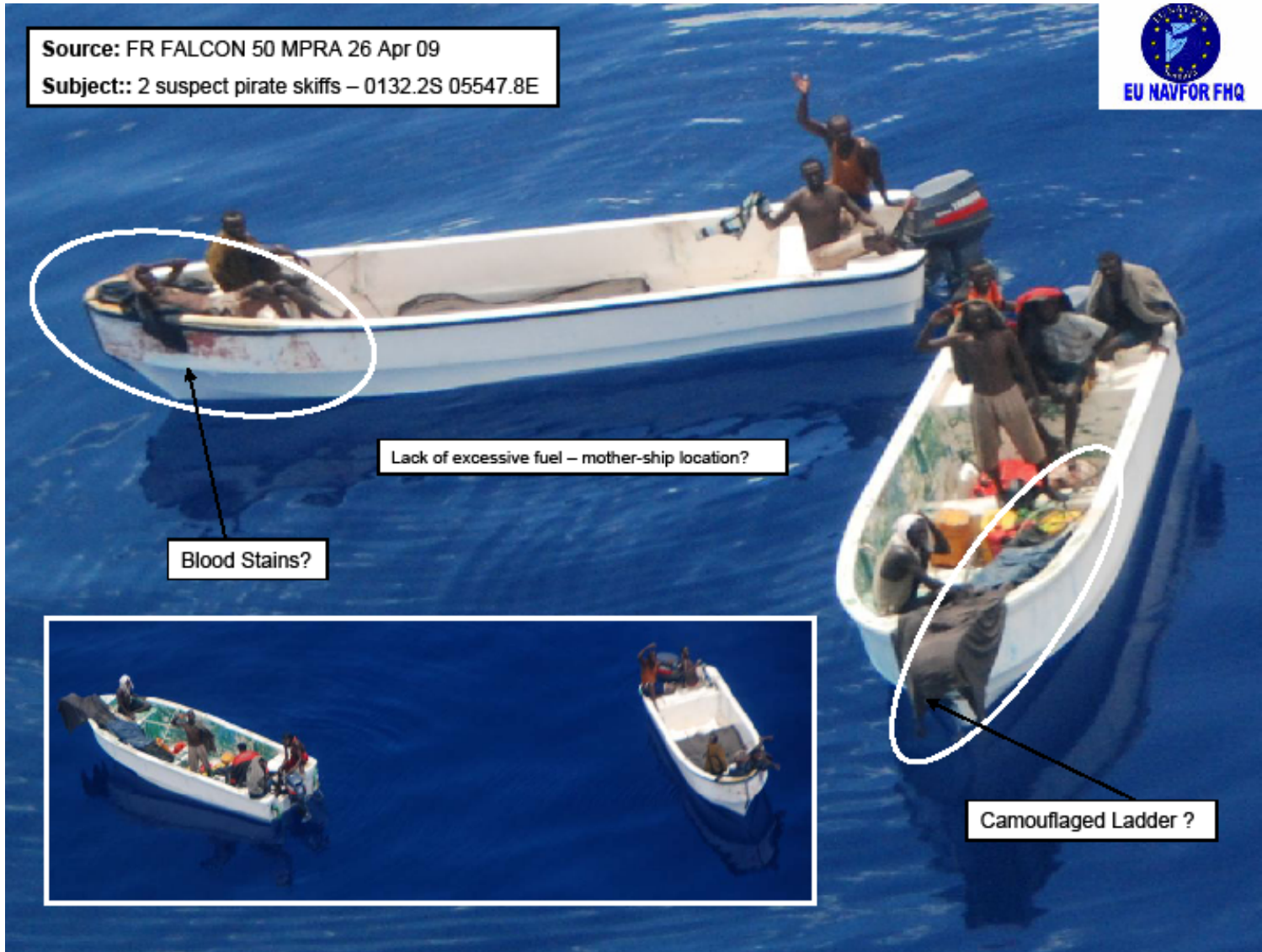
15% OF GOODS AND 30% OF OVERALL GLOBAL PETROLEUM CARGOS

HOW DO THEY ACT?

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Source: FR FALCON 50 MPRA 26 Apr 09

Subject: 2 suspect pirate skiffs – 0132.2S 05547.8E

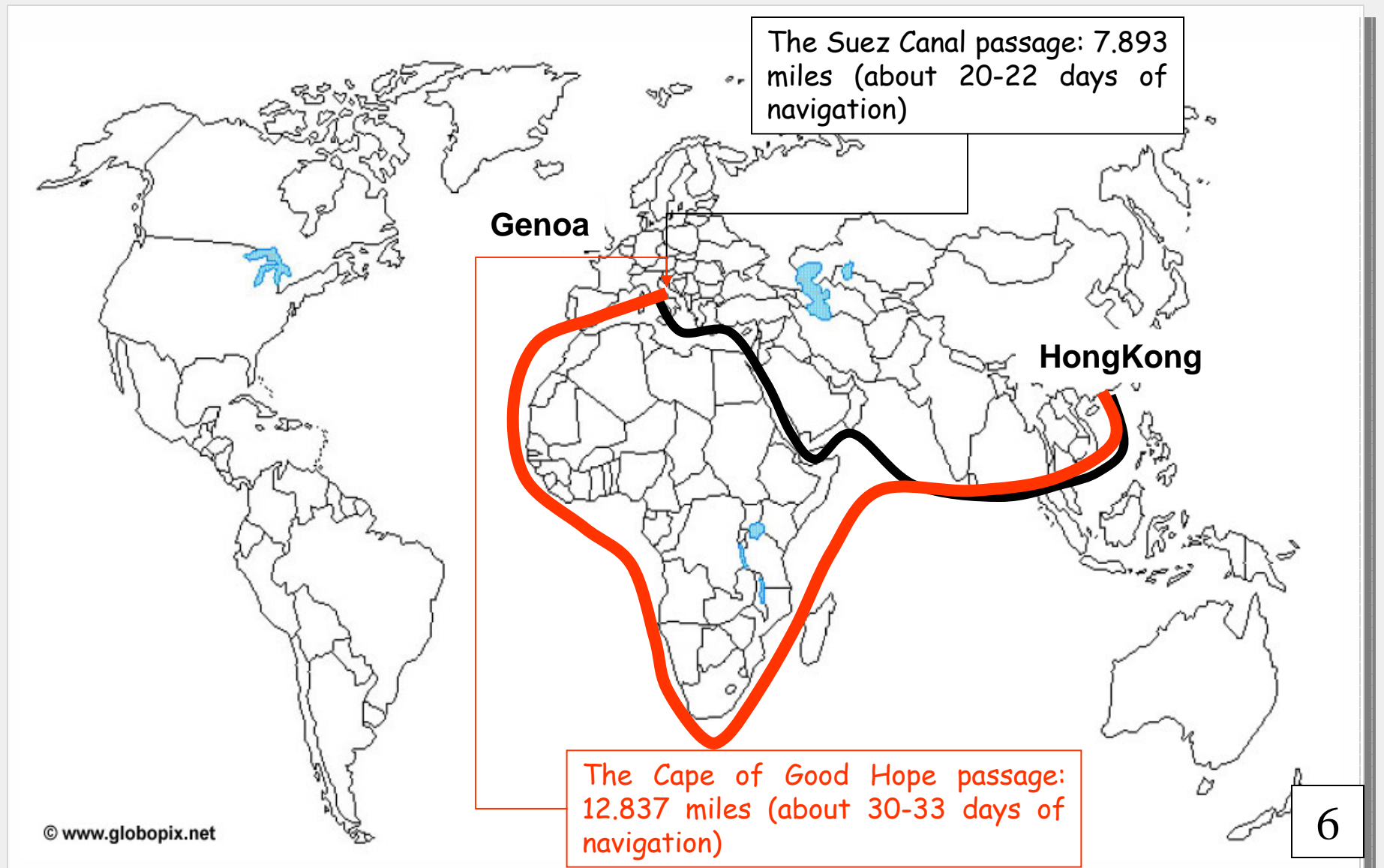


Lack of excessive fuel – mother-ship location?

Blood Stains?

Camouflaged Ladder ?

WILL THE ROUTE FORGOTTEN FOR YEARS COME BACK AND WIN OUT?



TWO CONCRETE EXAMPLES

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A tanker vessel sailing from Saudi Arabia to the USA via the Cape of Good Hope instead of the Suez Canal (distance increase of 2700 miles) meets the following additional costs:

3,5 million USD of bunker

Loss of 26% in terms of deliveries per year

A shipowner operating on routes between Europe and Far East obligated to redirect his vessels and make them pass round the Cape of Good Hope instead of the Suez Canal (in consequence forced to add a new one in order to maintain the frequency of service) faces the additional costs equal to:

89 million USD per year

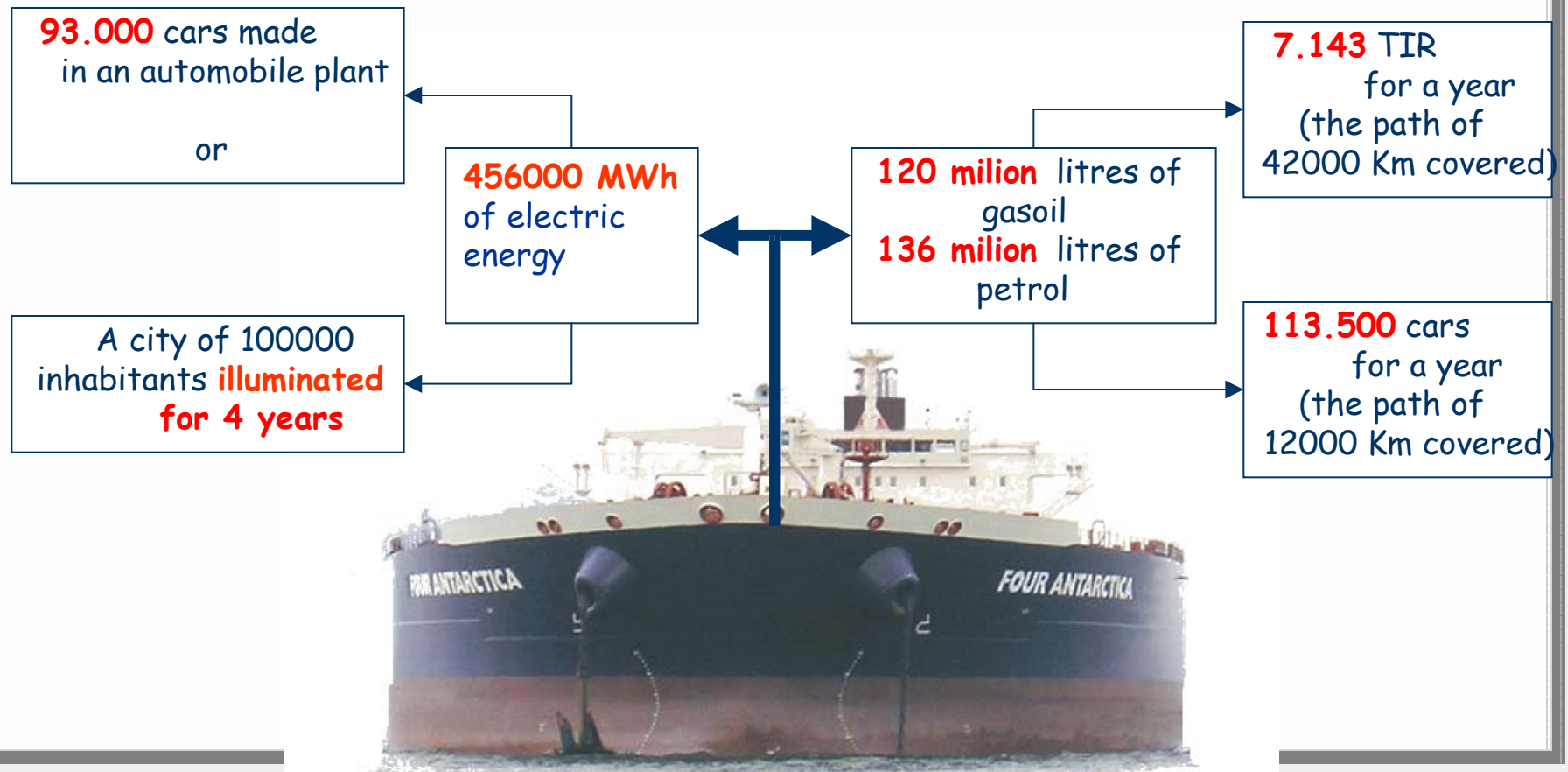
74 million of which cover the costs of bunker

Source: Department of Transport USA

AN ECONOMICAL DAMAGE TO THE WHOLE COUNTRY

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Without shipping intercontinental trade, transport of primary goods, import/export of food and manufactured products would be practically impossible.



TODAY MORE SECURE

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Italy adhered to EU-Navfor Atalanta Mission with the frigate Maestrale which departed in April 2009 and has already successfully intervened a few times.



IMPORTANT SYNERGY

A SECURE CORRIDOR, but...



ADDITIONAL STRATEGIES

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Shipping is looking for new technologies to prevent and discourage attacks

Strumenti preventivi:

MEDUSA Mk3/Mk4 EO Surveillance Systems

- Operational Role
 - Lightweight Optronic Surveillance System
 - High tracking accuracy
 - TV, IR sensors
 - Optional Laser rangefinder
 - Interface with Navigation Radar and GPS available
 - Image video-recording
 - Easy installation (reduced weight and dimensions)
 - Fully developed system (~100 systems are operational on board Italian Customs (GdF))



ADDITIONAL STRATEGIES

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DIRECTOR

- HIGH IMMUNITY TO STRUCTURAL VIBRATION
- GYROSTABILISED
- TV
- IR
- LASER RANGEFINDER



NAVIGATION RADAR

TARGET INDICATION



CONTROL DESK

- 17" LCD MONITOR
- KEYBOARD
- JOYSTICK

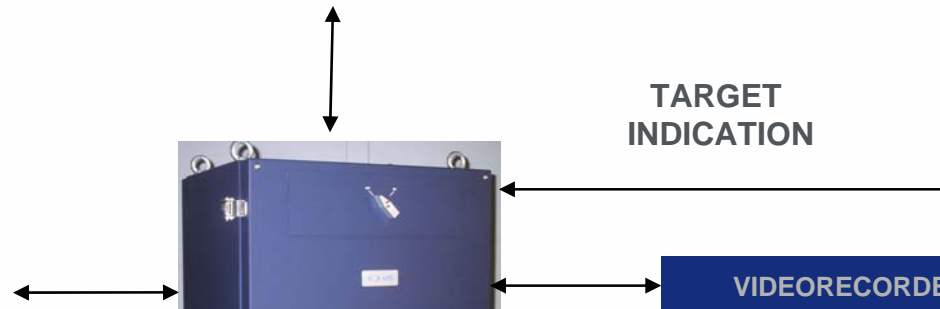


SERVO AND COMPUTER UNIT

- VME BASED
- VIDEOTRACKER



VIDEORECORDER



ADDITIONAL STRATEGIES

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Hoses



Fire equipment empowered



Dissuasive tools



Anti-boarding



Barbed wire installed



Onboard control areas secured

Why not to carry arms on board

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- Ashore it is the Police that defends against crime
- At sea this is a role of the Navies not of merchant men



Why not to carry arms on board

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- Risk of escalation of violence
- Trade reduction due to regional regulations
- Rules of engagement
- Legal situation
- Insurance considerations
- Moral considerations



Today Shipping urgently requests

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- major presence of operational means (naval and aerial) in the risky areas;
- better organization of the operation at sea performed by various Navies;
- better coordination between military forces and merchant units;
- prolonging of Atalanta Mission and, particularly important for Italian Shipping, Italian Navy engagement in the piracy prone area.

Today Shipping urgently requests

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- major deterrence from nations through proper legislation against piracy ;
- focussing on mother ships;
- blockading the pirate ports of supplies;
- controlling the fishing waters;
- **Political and economical actions:**
establish, train and support an effective Coast Guard to secure the area.