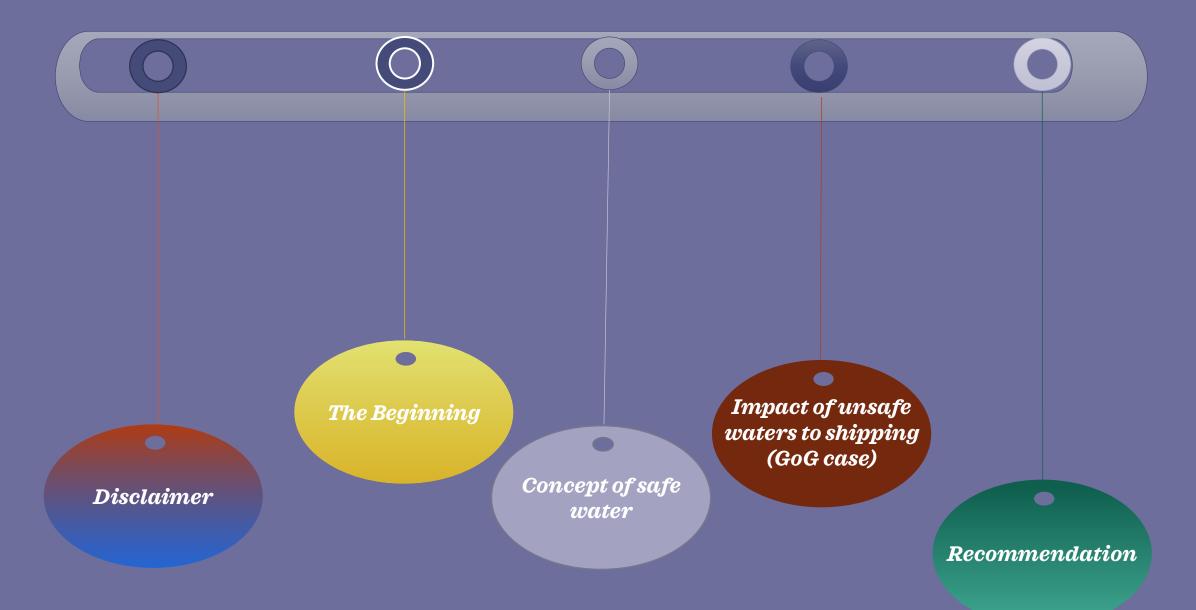
Safe Waters: An Imperative for Economic Viability and Sustainability

Emmanuel Maiguwa

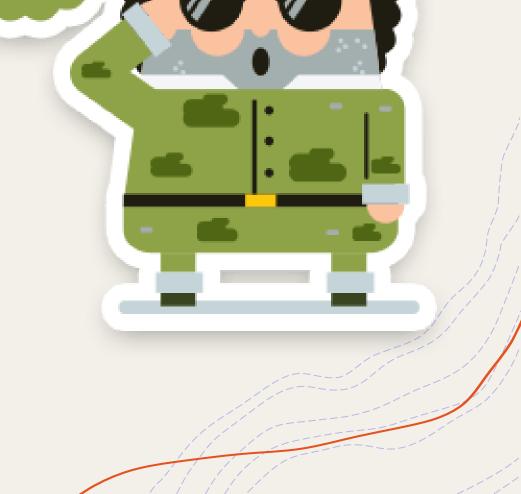
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Emmanuel Maiguwa G.



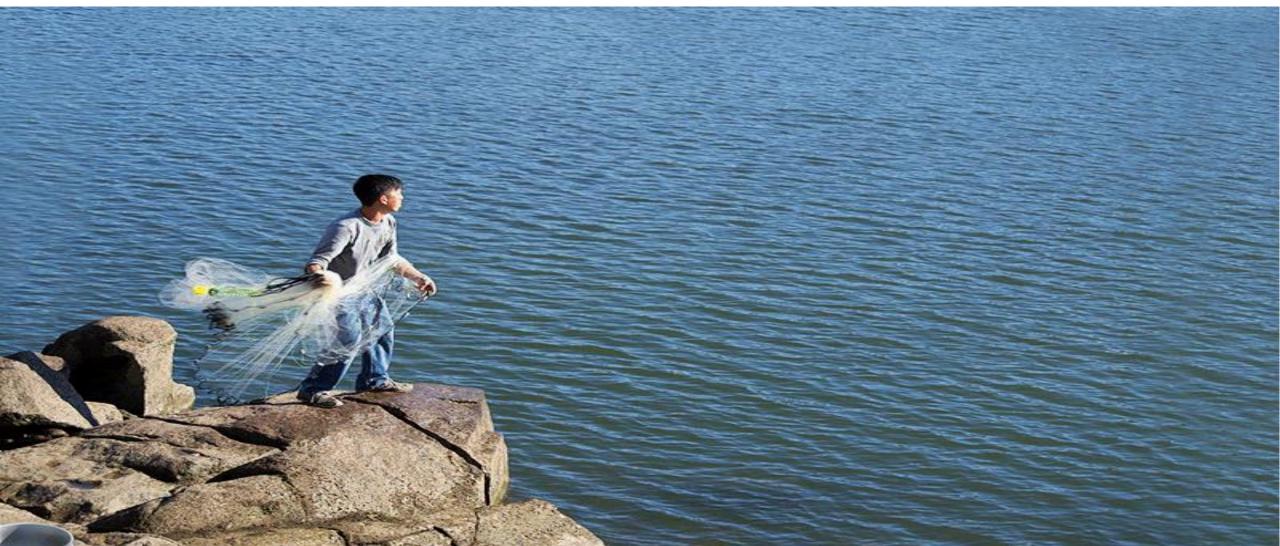
ROGER!!

A calm and peaceful water is the start of it all.

With the right song, the waters often dance to all kinds of styles

The sea itself was initially safe.... Safe: "Protected from or not exposed to danger or risk; not likely to be harmed or lost" Oxford Lexico

But then comes man's economic activities, an unavoidable necessity.



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Exploration

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Transportation

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Along with these economic activities come the emergence of interesting characters.....





These human activities are necessary for sustaining life through economic viability.

However, to sustain the economic viability of our waters, key actors must respond to ensure that these human activities are conducted in a way that guards the waters against,

Exploitation

Pollution Mismanagement Hostilities/Insecurity

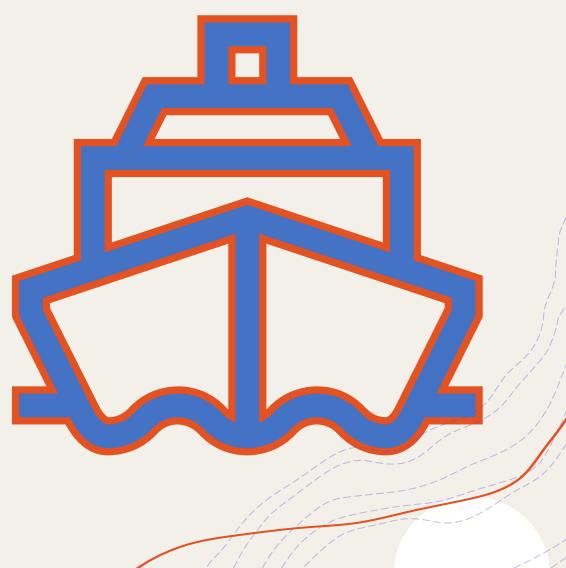
International Instruments Protecting the Waters

International Convention for the Safety of Life at Sea (SOLAS 74)

International Convention for the Prevention of Pollution from Ships (MARPOL 73/78)

Illegal, Unreported, and Unregulated Fishing (IUU)

International Convention for the Standards of Training, Certification and Watchkeeping (STCW 95)



+ While there has not been any international convention set up solely for combating piracy, there are private-sector models, state legislation and regional documents to achieve safe and secure waters across the global hot spots.

+ Some of which are:

+ *ISPS*

+ MTSA

+ EUMSS

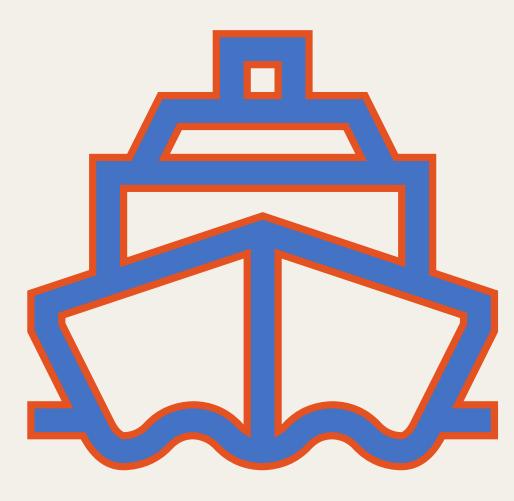
+ *BMP* 4

+ BMP WA

+ SPOMOAct

+ GoG-MCF

The Economics of Shipping; Insight on per voyage, per Destination



+ Economic activities created over Investment on ship through OPEX and purchase;

+ Survey Market

** Building Market,*

+ Manning Market

+ Supply Market - food, Parts, Bunkers

+ Insurance

+ Multimodal Transport system

+ Repair market

+ Training Institutions

+ Banking Services

+ Technology market

LIFETIME INVESTMENT ON AN AFRAMAX TANKER

Ave. Cost of Aframax Tanker		\$ 50,000,000.00
Ave. Freight Rate (TC)	16,000,000/Day	\$ 163,520,000.00
Ave. OPEX	7500.00/day x Per year X 28 years	\$ 76,650,000.00
Ave. Life Span (28yrs) Gross P	\$163,520,000 - \$76,650,000	\$ 86,870,000.00
Investment = Cost o in 28 years Life Span	Investment = Cost of Aframax + Total Opex n 28 years Life Span	

TABLE 2 LIFETIME ECONOMIC CONTRIBUTION TO TRANSPORT ECONOMY (@ Optimum)

+ Gaining an insight here will require an assumption that the vessel trades all her life carrying PMS from Rotterdam to Port of Lagos

+ 2 scenarios are illustrated below

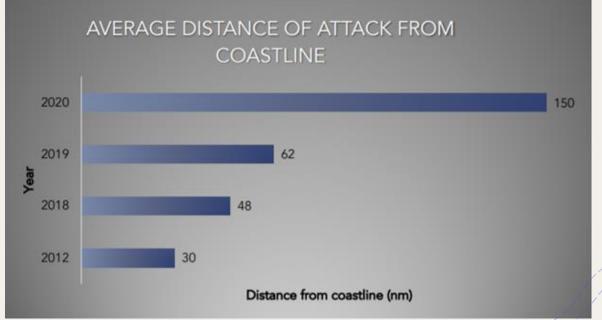
Scenario 1 (LTEC 1)-Low Risk Area- Destination -Lagos		Scenario 2 (LTEC 2)- High Risk Area- Destination- Lagos			
Cost of Cargo (Ex		\$	Cost of Cargo (Ex Lagos)	62,700,000.00	313,500,000.00
Lagos)	62,700,000.00	313,500,000.00	Port Support Fees	260,000.00	1,300,000.00
	200.000.00	\$	Land Transport		1,250,000.00
Port Fees	280,000.00	\$ 1,400,000.00	Private Security Expenses	350,000.00	350,000.00
Land Transport		\$ 1,250,000.00	Other Resultant Security Cost		()
	Total per Year	a bto'toooon	(RA, SP, premiums,	100,000.00	100,000.00
	Total by 28		Hardening etc		1
	·	\$ 8,852,200,000.00		Total per Year	316,500,000.00
	years Lifespan			Total by 28 years	i i i i i i i i i i i i i i i i i i i
				Lifespan	8,862,000,000.00

TABLE 3-COMPARATIVE ANALYSIS OF DATA				
	LTEC 1	Lifetime Cost (Approx 28 Years)	Difference	
\$	8,852,200,000.00	\$ 126,650,000.00	\$ 8,725,550,000.00	
	LTEC 2	Lifetime Cost (Approx 28 Years)	Difference	
\$	8,862,000,000.00	\$ 126,650,000.00	\$ 8,735,350,000.00	
	LTEC 2	LTEC 1	Difference	
\$	8,862,000,000.00	\$ 8,852,200,000.00	<mark>\$ </mark>	

UNCTAD – Maritime Review 2018 "Maritime transport is the backbone of international trade and the global economy. Around 80 per cent of global trade by volume and over 70 per cent of global trade by value are carried by sea and are handled by ports worldwide."

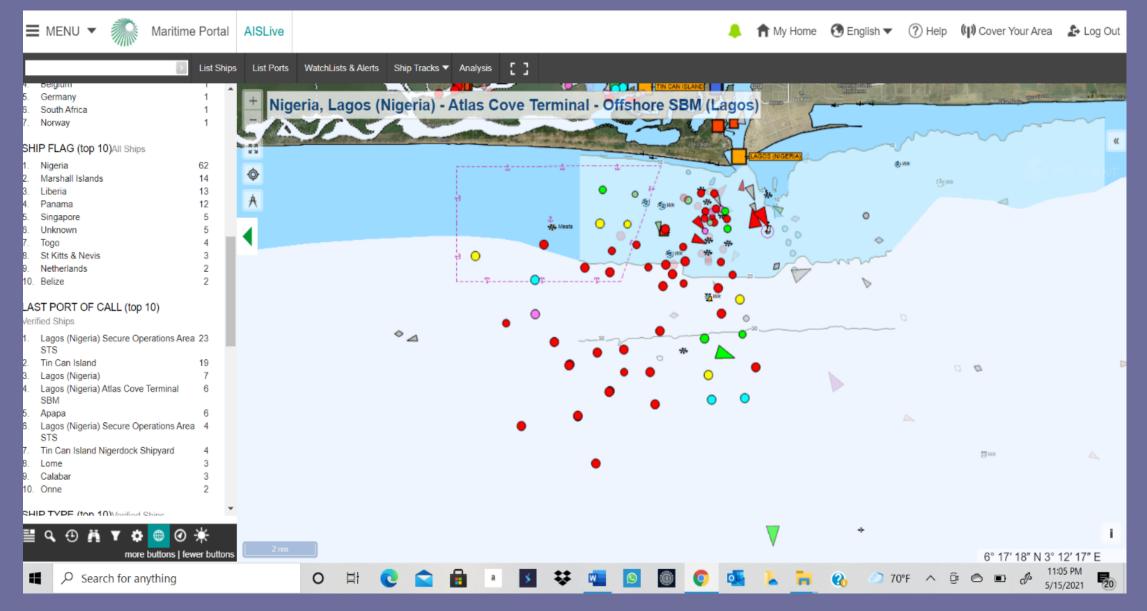
Constraints posed to shipping by unsafe waters

- + Difficulties in facilitating crew changes.
- + Challenges in accessing Ship Victualling
- Handling Service.
- + High cost of handling ship spares.
- + Difficulties in accessing ship technical support services - survey, hull cleaning, minor repairs and inspections.
- + Higher OPEX associated with deep Sea drifting.
- + Support Services needed by ship on call.



Source: CEMLAWS Africa's Maritime Governance Brief Vol. 2. Issue 1 2020, Pg 3

What does this mean for the Coastal State? Nigeria as a Case study



+Loss of small and medium scale shipping enterprises (including Coastal Feeder shipping services).

+Loss of revenue from taxes.

+Loss of Technological exchange and advancement.

+Loss of jobs to able youth population, which in turn increase maritime crime.

+ Excess burden on the most relatively safe infrastructure.

Recommendations

Although the issue of maritime crime is socio-economic, which must be addressed from its roots ashore on long-term goals, immediate measures to ensure relative safety on waters for economic viability and sustainability are recommended:

Strategic segregation and regulation of the use of water

Identification -GMDSS and AIS system implementation Regional Coordination – Younde Code Of Conduct.

MTSA ACT Model to complement ISPS

Centralized intelligence and access across commons region, i.e. GoG

Adoption and successful implementation of a justice system Until states, regions and the global community come together with a realistic strategy to secure the waters, shipping will continue to lose its comparative cost advantage at the expense of the global economy.

