

Pirates Threaten Ship Traffic In Gulf of Aden

Attacks by pirates in the Gulf of Aden, the world busiest waterway, surged to 44 last year, up from just 10 incidents in 2004. But this figure has already been eclipsed in 2008. According to the International Maritime Bureau, Somali pirates have attacked 54 vessels in the area so far this year, making the shipping lanes just east of the Suez Canal the most dangerous in the world. The incidents have raised concern among the world's shipping companies, many of whom have asked for naval escorts to ensure the safety of their vessels while transiting these waters. Most of the attacks have occurred near the port of Eyl in the Somali region of Puntland, which enjoys semi-autonomy from Mogadishu.

Despite the presence of US naval vessels in the region and a French base in Djibouti, the pirates have become increasingly organized and aggressive. They are attacking larger ships and recently provoked an international incident by capturing a Ukrainian vessel, the *Fianna*, loaded with armaments. The pirates are demanding \$20 million to release the ship. Some countries have acted independently to protect vessels sailing under their flags. Denmark sent the frigate *Absalon* to the area in August, and it seized a pirate ship. Malaysia, whose MISC shipping company owns one of the world's largest LNG fleets, banned its ships from transiting the Gulf of Aden in late August. This was lifted two weeks later when Kuala Lumpur sent three naval escorts to the region.

Gulf of Aden



Source: Poten & Partners

While none of the attacks have involved LNG ships, a tug boat built to service Russia's Sakhalin II was recently boarded by Somali pirates.

In the first half of this year, 21,080 vessels transited the Gulf of Aden on their way to or from the Suez Canal. This accounts for one-tenth of the world's seaborne trade. If owners are forced to route their ships around Africa's Cape of Good Hope, they will incur additional costs and longer transit times to account for the extra 4,500 miles the vessels would have to travel between Europe and Asia. The number of LNG ships transiting through the Suez Canal on their laden voyage has increased dramatically in the last two years, surging from 141 in 2006 to 173 in 2007. This figure has already surpassed 120 cargoes through the first six months of 2008, according to Poten & Partners Proprietary Shiptracking Service. As Qatar's mega trains are commissioned, the Suez Canal promises to host a growing flow of inter-regional LNG trades. These will increasingly include the producer's new Qflex and Qmax vessels delivering cargoes to terminals in Europe and North America

*This article appeared in Poten's monthly research report on **LNG in World Markets**.
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