

Piracy Analysis

Marine piracy has become a prominent issue in recent years. In the past few years shipping companies have been faced with an increasing frequency of attacks from pirates. In 2009 over 1,000 crew members were taken hostage by pirates. During the same period there were over 400 incidents worldwide with the Somalis accounting for over half. The Somalis took a total of 47 vessels and held 867 crew members as hostages. There is now evidence that some other areas (including the South China Sea, Nigeria and South and Central America) are experiencing a rise in the number of attacks; presumably bolstered by the "successes" of the Somali pirates. At the start of 2010 it was reported that the highest ever piracy for ransom claim was settled for a Greek tanker, which is unusual for this class of business. Reports indicate that the claim was settled for a figure between USD 5.5 million and USD 7 million for the ransom alone.

The primary purpose of this presentation is to examine the data for the years 2006 – 2009 provided by the International Maritime Bureau (I.M.B.) for piracies around the world. We then built models that explain the way the number of attacks by pirates is affected by various parameters.

The results reach interesting conclusions as to the degree of riskiness for various types of vessels, the average tonnage, age profile & the status of the vessels being attacked, the type, as well as the time of attacks.

Keywords: *piracy, attacks, generalized linear models, poisson distribution*

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