

MANAGING OFFSHORE RISK IN THE MIDDLE EAST

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Despite oil prices remaining in the high US\$40's and a limited pick-up in offshore activity worldwide, the Middle East is bucking the trend and seeing an increase in offshore activities around the oil and gas sector.

The Middle East was the only market globally to witness an increase in demand in offshore support vessel (OSV) activity in 2016 with a 2.6 per cent rise, according to industry analysts Petrodata. Furthermore, the region also seems to have been relatively unaffected by offshore drilling activity reductions with jack-up rigs remaining in high demand, according to the Global Jackup Rig Market Report 2016 by industry analysts, Research & Markets.

In addition, commercial shipping activities continue to be on the increase. Abu Dhabi's Khalifa Port is just one example of a container port within the region that is set to expand, with plans to increase its annual container throughput to 2.5 million twenty-foot equivalent units (TEUs).

Whether in the commercial shipping and ports sectors or the offshore oil and gas industry it is now as important as ever to have a consistent and comprehensive approach to marine risk.

As offshore oil and gas and commercial ports and shipping operations continue to



grow within the Middle Eastern region, what is required for the successful alleviation of risk in these sectors?

Specialist marine consultants, loss adjusters and engineers Eagle Lyon Pope (ELP) and its parent company Global Maritime Consultancy will attempt to address these issues in this article.

A Focus on Ports

Firstly, the focus must be on the ports and terminals themselves in order to ensure that all infrastructure is safe, functionally compliant, and conforms to industry guidance and best practices, whilst also being capable of adapting to future requirements

Areas to consider in reducing risk in ports include effective port master planning; terminal feasibility studies for new

developments; port marine safety audits; the provision of port designated persons; liability risk surveys; mooring and analysis; dredging; constructability support; and pilotage, navigation and ship manoeuvrability assessments.

Port and terminal operators are also required to have in place a contingency plan for marine pollution in order to support the decision making process, thus ensuring an adequate and timely response to such incidents. To this end, ELP can draft and deliver a pollution contingency plan bespoke to the port or terminal requirements

We are also very conscious that the International Maritime Organisation (IMO)'s International Convention for the Control and Management of Ships' Ballast Water and Sediments requires all international vessels to be equipped

with a system to clean their ballast water before releasing it into the ocean. This prevents the transfer of alien marine species, such as bacteria and microbes.

This is another important pollution issue and it's positive to see a global response to a global problem where incidents can be seen every day if not acted upon quickly. The IMO's regulations will ensure standardisation in this area.

A Focus on Shipping

As vessel traffic increases and vessels become larger, safety in navigation and marine operations is of paramount importance.

ELP employs an experienced team of master mariners, naval architects and marine engineers providing innovative solutions to highly technical

marine issues. Using in-house operational simulation and risk management software disruption, delay, utilisation and risk can be effectively determined and managed.

Recently, ELP's ports and shipping department conducted fast and real-time vessel simulations for berthing and unberthing Q-Flex LNG carriers at a newly developed floating storage regasification unit (FSRU) terminal within the Middle East. The project included the facilitation of a full mission ship simulator workshop, which engaged stakeholders such as marine pilots from the region, ship's masters, vessel operators, charterers and terminal operators.

Marine Casualty Investigation, Claims & Litigation

Marine accidents and incidents can potentially have catastrophic consequences, which inevitably result in insurance claims and potential litigation.

With this in mind, ELP's team of marine master mariners, naval architects, marine engineers and insurance professionals can provide a global response service in investigating the cause, nature and

extent of damage due to marine collisions, groundings, pollution and other incidents.

As vessels become more sophisticated, analysis of Automatic Identification System (AIS) and Voyage Event Recorder data is also becoming one of the key areas in which ELP can provide assistance to maritime lawyers and insurers.

ELP also provides loss adjusting services covering energy and marine claims, through to cargo claims, damage to ports, terminals, handling equipment, stevedore's liability losses, personal injury and onshore work that includes power and utility losses, construction and business interruption.

ELP also carries out risk engineering for a variety of insurers and other clients in the Middle East and globally, providing underwriters with the information they need to assess the magnitude of specific risks.

Marine Warranty Services

Finally, Marine Warranty Surveys (MWS) are also an important means of managing risk for the insured and insurers. Global Maritime has more than 30 years of experience in Marine Warranty Surveying services covering transportation, construction, commissioning and decommissioning projects, assisting underwriters, brokers, oil companies, drilling contractors, offshore contractors and vessel owners.

In another Middle East example, Global Maritime provided MWS for a high-profile offshore concession, which included vessel suitability surveys, third party documentation reviews and the issuing of Certificates of Approval for marine operations and construction activities. As a leading provider of MWS, Global Maritime is constantly re-evaluating the process and procedures to ensure that the expectations of all are met.

Preparing for All eventualities

As the Middle East offshore oil and gas and shipping markets continue to face risks, it's vital that they are prepared for all eventualities. A consistent and process driven approach to risk, ports, shipping, marine casualties and loss adjusting is a good start.

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