

Insight: Dynamic Elevated Threat Areas

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Executive summary

- Industry 'high risk' areas are typically geographically defined and may include multiple threat actors.
- Industry guidance acknowledges multiple threats, but it can be unclear where to implement threat-specific protection measures.
- Ambrey's Dynamic Elevated Threat Areas are threat-specific, regularly updated, and enable shipping companies to optimise risk mitigation.
- They perform very favourably in benchmarking exercises with other industry threat areas.
- Digital technologies and innovative applications have real-world application in standardising response practices and optimising investments in risk mitigation.

Context

In the industry, many risk areas appear to be based on maximum extents of threats, and this can lead to institutionalised conservatism. That is, if there is any discernible method. This is important because as 'grey-zone' conflicts mature, it is incumbent on the industry to expose their methodologies to carry the market with them, and appropriately mitigate risk.

The trend has also been for organisations to re-assess risk, placing apparent weight on the absence of incidents, and to undervalue the contribution of security providers in facilitating the *context* in which the risk has changed.

Offshore Somalia, some shipowners are therefore transiting closer to shore with no or limited ship protection measures in place. There are indications that this type of reassessment is now occurring in West Africa, where it is assessed that the continued low risk is more likely the result of the availability of alternate criminal business opportunities in a high-price oil products environment and due to the existing security architecture, which a revision could undermine.

Ambrey's methodology

Ambrey began using geospatial analytics in 2015. This was used to perform mandatory assessments for oil majors. With the release of the Guardian service in 2019, every Voyage Risk Assessment utilised DETAs.

The foundation of DETAs is quality data and information. Ambrey's postgraduate Duty Analysts qualify maritime event reports, applying categorisation and reporting thresholds, and verifying location data. Ambrey goes beyond the mandates of regional and international reporting bodies to collect, collate, and codify what is reported to us and what is reported by others. Ambrey's ISO 27001:2022 certification underscores our commitment to the highest standards in information security risk management. Ambrey has implemented robust safeguards within our custom content management system, Overwatch. This feature bifurcates information into that which is unrestricted, and may be reported, or that which may be assessed as operationally or commercially sensitive and managed accordingly. This partition has engendered confidence in the market to report information that might not otherwise be surfaced for onward analysis.

Regional and thematic Analysts regularly assess threats, including changes in intent, capabilities, and opportunities to identify contextualised threat periods, and select appropriate data for the current period.

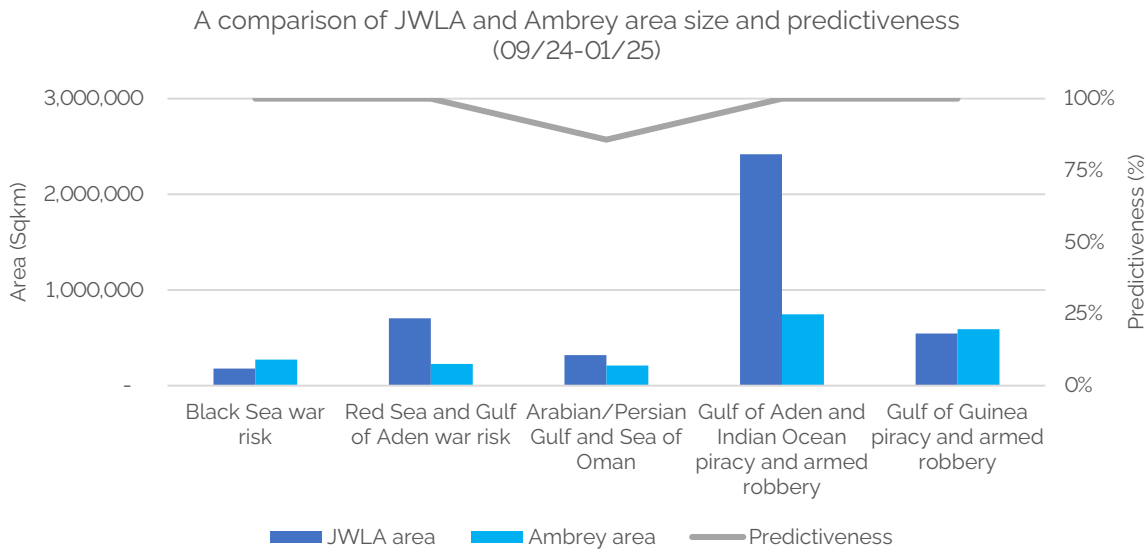
This information is regularly analysed by a statistician and geospatial analytics specialist, who runs the Guardian DETAs monthly, and others quarterly, or more frequently if assessed required. This is managed through a geospatial analytics platform, and a custom Ambrey workflow model to ensure consistency, and increase predictiveness. These are then presented back to the Regional and Thematic Analysts for sign-off, and then uploaded into Ambrey's Overwatch system, which are passed through APIs to platforms.

In total, Ambrey has 18 threat group DETAs. Each of these DETAs has up to five zones, reflecting event frequency. These are globally comparable, as the thresholds for these are benchmarked against one another.

Ambrey Voyage Risk Assessments use DETAs to quantitatively calculate risk scores and qualitatively to offer proportionate risk mitigation advice.

Performance

Where comparable threat areas exist, Ambrey regularly benchmarks our DETAs. Across five key regions and threats, Ambrey's DETAs are, on average, 21.94% smaller than the Lloyd's Joint War Committee's listed areas, and are just as predictive of where the next events occur.



For a fair comparison, for this benchmarking, Ambrey split the Lloyd's Joint War Committee's listed areas for the Indian Ocean, Gulf of Aden, and Southern Red Sea into the Red Sea and Gulf of Aden, and the Gulf of Aden and Indian Ocean, to compare the predictiveness against respectively the Houthi attacks and Somali piracy and armed robbery threats.

No organisation in this industry is completely impartial and their policy guidance, including threat areas, should be subject to comparison and testing. It should be noted however, that Ambrey's Somali piracy DETA is significantly smaller than the Lloyd's JWLA equivalent.

A comparison of threat areas across the industry indicates that shipowner association areas, charterer areas flag, and seafarer union areas balance area size and predictiveness differently. Some, such as flags of convenience, are not necessarily resourced to carry out these assessments. Ambrey was able to secure flag approval to embark guards in an area only after highlighting to the flag that one of their own vessels had just been hijacked further offshore. Other risk areas are in conflict with one another and have caused operational security misunderstandings. Ambrey's and the insurance industry's areas broadly tend to balance area size and predictiveness.

Implications

The straight lines in the ocean so often seen in industry areas are more reminiscent of the age of sail and paper charts and indicate institutional inertia.

In the age of ECDIS and Starlink, we are going to experience technology disruptions that will change how we manage risk, and ultimately move closer to achieving optimised risk management.

Ambrey is partnering with established players and disruptors to contribute towards this goal.

If you wish to find out more how we use these in our solutions, benchmark your own/industry areas or test others, please reach out to either your account manager or intelligence@ambrey.com, and we will book in a session with our Analytics team.