

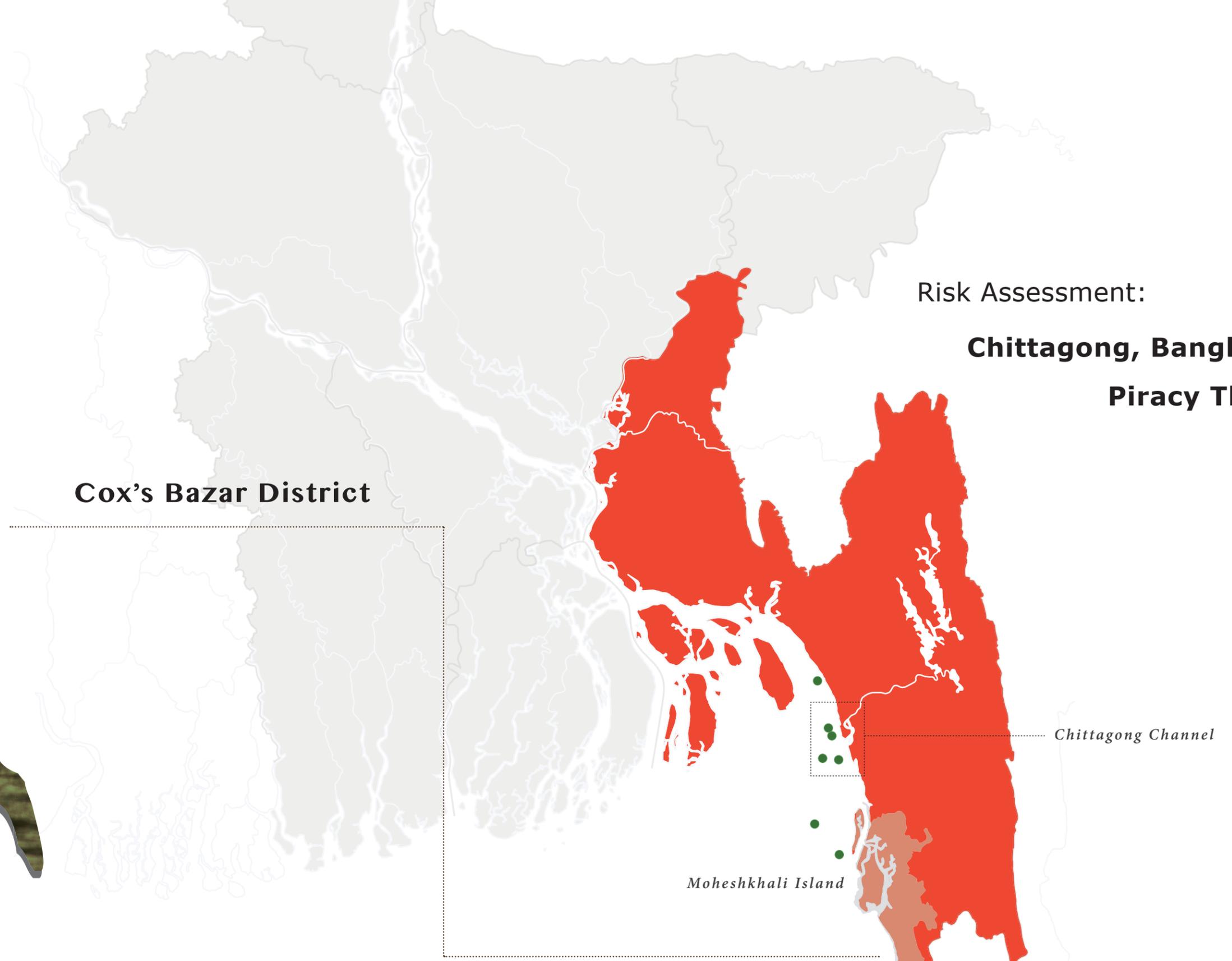


Cox's Bazar

Cox's Bazar District

Risk Assessment:

**Chittagong, Bangladesh  
Piracy Threats**



## Overview

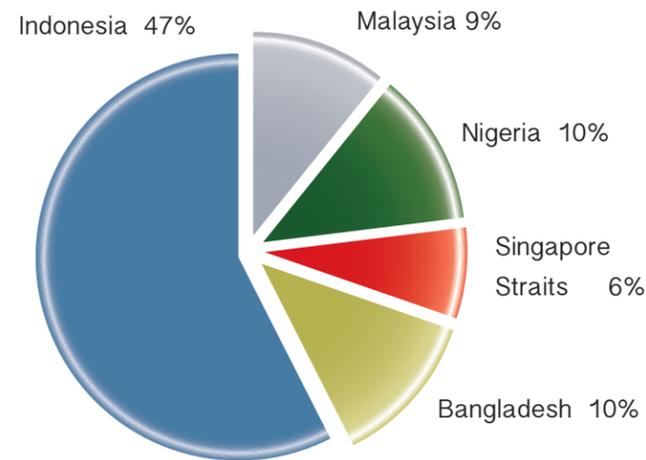
Bangladesh is characterized by political instability, inadequate infrastructure, corruption, insufficient power supplies, and is slow to implement meaningful economic reforms. Approximately half of its population is employed in the agricultural sector with the majority living below the poverty level. Lack of opportunity in rural regions has caused large scale urban migration. This combined with Bangladesh's youth population bulge, has shifted employment to support the industrial sector, specifically the garment industry. Those that remain in rural areas often turn to criminal gangs and illicit activities to secure alternative revenue sources.

## Situation

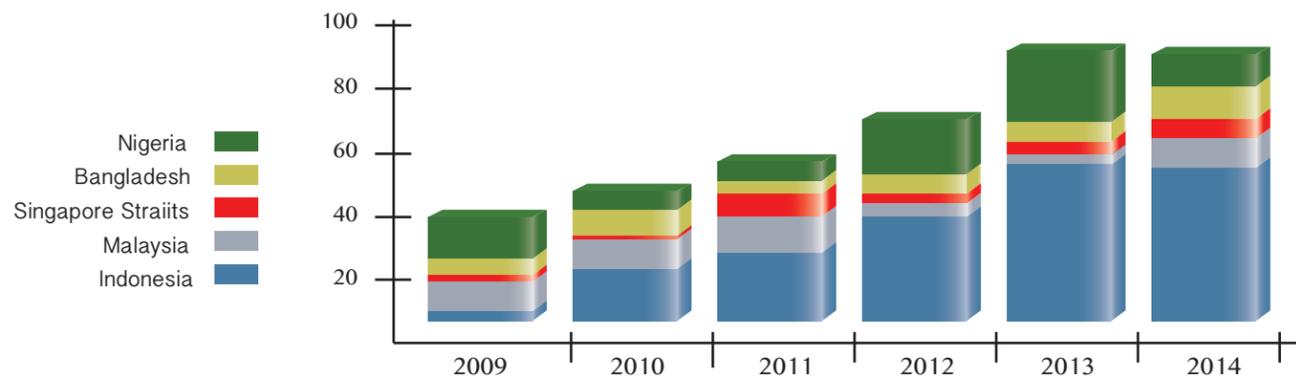
Bangladesh's geo-political and socio-economic conditions not only support, but make piracy a viable alternative for rural people seeking employment. Although the number of piracy attacks world-wide has declined over the past two years, piracy continues to plague Bangladesh. The ICC's International Maritime Bureau reports that Bangladesh's territorial waters are at high risk for armed robbery aimed at

ships. More than 2,000 piracy incidents have been reported in Bangladeshi waters in the past two years. According to the Cox's Bazar District Fishing Trawler Owners Association, pirates seized over 1,000 fishing boats, kidnapped more than 3,000 fishermen, murdered over 45 of them and collected more than \$1.28 million in ransoms. The majority of these attacks occurred around the Cox's Bazar coastal district and the port of Chittagong—making it the world's most dangerous port.

Pirate activity is centered on theft, kidnapping and extortion of money from fishing trawlers and cargo barges transiting the region. Most pirates live in coastal villages, under the guise of fishermen and launch from staging areas supported by local communities. Due to the lack of governance and high levels of corruption in these area, the majority of anti-piracy initiatives have been ineffective. Additionally, the Bangladeshi Coast Guard lacks the capacity to effectively counter piracy due to manpower and equipment shortages. Eight of its vessels are over 30 years old and cannot operate during monsoon season. One local fisherman described the situation by saying, "When we urge the police to act against the pirates, we have to bribe them. But, from the pirates, they take double that amount in bribes to refrain from taking any action against them."



70% of 116 totalled incidents:  
January - June 2014



## Problem

Excelerate can expect to encounter significant piracy activity due to the proximity of the Moheshkhali terminal in relation to pirate staging areas and the contract length. Excelerate Energy's LNG import terminal will be located offshore near Moheshkhali Island. The terms of the project call for a 15-year, long-term charter for the design, construction, and operation of the terminal. Moheshkhali lies between Chittagong and Cox's Bazaar on the coast, less than 40 miles south of Chittagong port and 20 miles north of Cox's Bazaar. Additionally, the targeting of high profile maritime infrastructure, like Excelerate's FSRUs, is prompted by local grievance.

Adding to piracy challenges, Excelerate can expect to encounter an ongoing low-intensity guerilla war between the Bangladesh government and the indigenous Jumma tribes of the Chittagong Hill Tracts (CHT). The CHT is home to eleven different ethnic tribal groups, has supported the insurgency for the past two decades and is considered the most turbulent area in Bangladesh. Compounding this problem are the estimated 100,000 Burmese refugees (Rohingya) living in Bangladesh near the Burmese border. Approximately 29,000 of them live in Kutupalong and Nayapara, two squalid camps just south of Cox's Bazaar near Teknaf. In both cases, the government failed to provide basic services and deliver humanitarian assistance, which elevates tensions in the region. Both the CHT and refugee camps are located in close proximity to the LNG terminal ground site. With no immediate resolution in sight, they have the potential to further destabilize the already fragile security environment.

## Solution

*Adopt a proactive community engagement strategy, shifting from traditional risk management to risk mitigation.*

Dependence on the national government to provide security against the myriad of land and sea-based threats that can negatively impact Excelerate's operations is not a viable option. The government is viewed as illegitimate, fails to deliver basic services, suffers from endemic corruption and lacks the capability or capacity to safeguard operations. Therefore, properly planned and executed development initiatives that engage communities directly are required to create the pockets of security to safeguard operations. A recent study suggests "a large part of current anti-piracy efforts in the Bay of Bengal includes the active engagement of coastal communities." However, "the potential of these communities to counter piracy remains far from fully utilized." Excelerate can address the problem at its root and significantly mitigate potential threats before they become persistent problems by implementing community engagement strategies early in the lifecycle of its operations.



*The majority of these attacks occurred around the Cox's Bazar coastal district and the Port of Chittagong—making it the world's most dangerous port.*

