



# MAKING WAVES

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### **Why China thinks it could defeat the U.S. in battle**

-David Axe

For the first time since China's rapid ascent as a regional military power, officers in Beijing believe the Chinese army could invade Taiwan or attack a disputed island while also deterring intervention by U.S. Pacific Command. In other words, top Chinese military planners are now convinced they could defeat the United States. And some American thinkers are coming to believe the same thing.

"U.S. forces in the region are becoming increasingly vulnerable to China's anti-access capabilities," David Gompert, a former Acting Director of National Intelligence now working for the think tank RAND, told the U.S.-China Economic and Security Review Commission in Washington, D.C. on Jan. 30. "This creates the prospect of regional instability, loss of U.S. influence, and heightened threat of conflict," Gompert warned. But the Pentagon could shift the power balance back in America's favour, Gompert said. He argued that a "less vulnerable U.S. posture" should include submarines, long-range bombers, drones, and swarms of missiles and small warplanes.

The idea being to launch attacks from far outside China's defensive cordons — and spread out and conceal U.S. forces in order to complicate Beijing's targeting. The good news for Washington is that the military is already hard at work on many elements of this "distributed" strike construct — with just one glaring exception. While the Pentagon is getting new and improved submarines, new bombers, more and better drones, and plenty of missiles, it's not about to expand its fleets of warplanes. At least, not manned planes.

In fact, America's air arms are getting smaller as they shift to bigger, heavier, and pricier jet fighter designs — the exact opposite of the aerial swarms Gompert advocated. Apparently guided by a classified strategy known as Air Sea Battle, the U.S. Navy and Air Force are steadily building up the very kinds of forces that

Gompert contended are best suited to defeat China's own massed missiles, planes, and ships. In 2012, the Navy reversed a long-term decline in its submarine production by buying two subs in one year for just over \$2 billion apiece. That manufacturing scheme, known inside the Navy as "two for four in '12," should preserve America's undersea lead.

The Navy is projected to possess between 60 and 70 nuclear-propelled subs for at least the next couple decades. No other country has even half as much undersea combat power. .Moreover, Connecticut sub-maker Electric Boat has worked closely with the Navy to steadily improve the current Virginia-class submarine design. With every "block" of 10 or so boats, the Virginias get big upgrades.

The Block V boats, scheduled to being production in 2019, will carry an extra 28 cruise missiles on top of the 12 missiles in the current sub model. The Virginias and America's other submarine classes could also soon gain the ability to launch flying recon drones from underwater concealment .In December, the Naval Research Laboratory successfully launched a fuel-cell powered drone from the torpedo tube of the submerged USS Providence. The drone is encased in a buoy that, after blasting from the torpedo tube, bobs to the surface and pops out the flying robot.

The 'bot' could follow GPS coordinates and communicate with the sub periodically via radio, connecting by way of the submerged boat's mast, poked above the waves only as long as possible to avoid detection. Adding these drones to the missile-equipped subs could allow undersea forces to independently find their own targets. In a war with China, U.S. subs could be the first and main weapon for breaking up Chinese defences, allowing other forces — bombers and warships — to safely hit targets.

In particular, the subs would need to take out the radars associated with China's Surface-to-Air-Missiles. "An organic [Unmanned Aerial System] will provide submarines a fully organic capability to detect, identify, precisely locate and quickly strike modern SAM engagement radars," Owen Cote, a naval analyst at the Massachusetts Institute of Technology, wrote in a 2011 paper. To then exploit the

holes poked in Chinese defences by subs and drones, the Air Force is developing the new Long-Range Strike Bomber for service starting in the 2020s.

Based in the U.S. and at America's main heavy warplane outpost in Guam, up to 100 of these bombers — successors to the Air Force's 20 B-2 stealth bombers — would work in conjunction with new, radar-evading spy drones to further pinpoint targets than blast them with precision weapons. Not coincidentally, according to Aviation Week the Air Force is wrapping up final testing of the top-secret RQ-180, a long-range, radar-evading robot built by Northrop Grumman. Between them, the improved subs with their drones and extra missiles, plus the Air Force's planned fleet of drone-assisted new bombers, begin to match Gompert's vision for a "less vulnerable U.S. posture" for battling China.

Only one piece is missing — "larger numbers of diverse and smaller ... aircraft platforms." Instead of acquiring large numbers of inexpensive warplanes to swarm enemy defences, the Pentagon — and especially the Air Force — is buying many fewer new jet fighters at greatly increased cost. Even under the most optimistic scenario, in the 2030s the Air Force will have spent \$500 billion over 30 years to acquire just 1,763 F-35 Joint Strike Fighters and 182 F-22 Raptors — 1,945 fighters to meet a requirement for fighters that, as recently as 2009, stood at 2,200 airframes. When it comes to tactical jets, the Air Force is shrinking and concentrating, not expanding and spreading out, as Gompert recommended.

Gompert stressed that a new, more distributed U.S. Pacific force should not be understood as necessarily threatening China. "Rather, by facing China with a more complex targeting challenge, it would discourage Chinese pre-emptive attack, obviate the need for U.S. pre-emptive attack, and allow time to defuse a crisis. "While Air Force fighters are an exception, the flying branch does seem to be taking that advice to heart with regard to heavy bombers. The Navy, too, is gearing up to more effectively deter China.

Source: [The Week](#), 18<sup>th</sup> August 2014

## **India's Political Push to Shipping**

-Iain MacIntyre

Recently, Indian Shipping Minister Nitin Gadkari announced his department's aim of heralding a "new beginning in developing a state-of-the-art shipping industry in India". "We in the Ministry of Shipping have an onerous task in hand and it will be our endeavour to develop the maritime strength of our country which is crucial for India's socio-economic progress," he stated.

"Efficient ports, increasing India's share in the global shipping, promoting coastal shipping and strengthening our inland waterways are among our main goals ."These sentiments have been reinforced within the 2014-2015 Budget announced on July 10 by Minister of Finance Arun Jaitley. "A policy for encouraging the growth of Indian-controlled tonnage will be formulated to ensure [an] increase in employment of Indian seafarers," he stated when referencing the issues of infrastructure/shipping.'

"Development of ports is also critical for boosting trade. Sixteen new port projects are proposed to be awarded this year with a focus on port connectivity. Rs 11,635 crore will be allocated for the development of Outer Harbour Project in Tuticorin for Phase I. Special Economic Zones (SEZs) will also be developed in Kandla and Jawaharlal Nehru Port Trust (JNPT). "A comprehensive policy will also be announced to promote Indian ship building industry in the current financial year."

### *Making inroads*

With the new Government exhibiting a stable and "more cohesive working" style, Indian port sector expert Surendra Sharma expresses hope inroads will be made to streamline the historically bureaucratic-laden path to progress in the sector ."The focus of the Government appears to be now on achieving targets and delivery for which many processes are now being made investor-friendly and online," he tells Port Strategy.

"This has helped in the confidence level of both the industries and the investors. Projects in the port sector are no exception. Six months down the line we can expect



revival, fast-tracking of projects and more global interest as the economy picks up and business environment improves.” “India’s developmental policy now appears to be globally-oriented, starting from being regionally-focused rather than country-limited. This is expected to increase investments/bilateral trade opportunities and cargo movement from the whole region in which India with its long coastline would have a dominant role to play, especially in the port sector.” Hence, it appears fair winds and high seas for the maritime sector.”

### *Opening windows*

DP World Subcontinent region senior vice-president and managing director Anil Singh sees the advancement of a single-window clearance system - eradicating previous multi-ministry involvement - as expediting growth and attracting investment. “We expect the Government to implement the single-window clearance system to ensure swifter transactions in the overall infrastructure sector in the country,” he says. “The Union Budget 2014 has made provisions for the growth of the Indian port sector and we are hopeful to see a positive change. These proposals will give a tremendous push to the sector.”

However, one senior Indian port sector executive (who asked not to be identified), expressed concern that despite the apparent positive intent, there remained a “lack of strategic vision as to what exactly needs to be done”. “...and Central Government gets pressurised to put investments in each coastal state to keep each state happy,” he says. “Also, the way some minor ports have been privatised is wrong. Because the State Government did not want to spend any money, they have given the full marine, berth and landside work to the private concession holder which in the long run is creating a local monopoly situation, as well as driving up costs for the trade.

“The major issue for India is the high level of logistics costs - way above the world average at 15%-16% - and part of the solution is to keep port costs low. In order to do this, Government has to be prepared to spend money on: (a) marine infrastructure, i.e., dredging, channel maintenance etc.; (b) landside connectivity road and rail; and (c) act as start-up investor for new facilities where there is a long-term not a short-term return. “I think the present mix of major Government ports and



private deep water ports will continue. What is missing is the network of multi-purpose common-user shallow-draft jetties along the coast; without these, the coastal trade cannot develop.

“So far the whole coastal trade discussion has been about ships. The ships are the easy part, the missing part of the infrastructure and the discussion is how to go about developing this network of jetties along the coast. India had jetties and anchorages all along the coast earlier, and no thought has been given to developing these for the needs of the 21st Century. This is where the new Government needs to step in and take a policy lead.”

### *Getting nowhere*

In this vein, the senior Indian port sector executive laments to date the country has “got nowhere” in regards capturing a decent share of the region’s transshipment cargo.“ The focus seems to be on capturing Colombo transshipment cargo by building facilities close to Colombo. This approach of trying to destroy your neighbours’ business fails to understand the dynamics of the trade.

“So far Vallarpadam project has been a failure and promoters are still talking of another transshipment project at Vizhinjam. Neither port has a significant domestic cargo hinterland. “If you look at Jebel Ali, this port handles a huge transshipment volume yet is way off the main trade routes. Ships call there attracted by the large base of local and Free Zone cargo. “Similarly, India can build up Nhava Sheva as a transshipment hub in the long run. The North India trade will slowly but surely switch to Gujarat ports as the inland distances are less, leaving capacity in Nhava Sheva to build up transshipment capability.”

### *Transshipment targets*

DP World’s Mr Singh contests some of those assertions. “In the wake of increased demand for transshipment in India, the International Container Transshipment Terminal, which we built and operate, was set up at Vallarpadam off Cochin port in

2011, to meet that very requirement - of creating a hub port within the country to achieve cost savings. "The terminal has state-of-the-art infrastructure, a natural non-tidal draft that can support large capacity containerships suitable for transshipment. The terminal is the nation's first transshipment terminal project. "We have built the terminal capacity ahead of demand to provide the booming Indian economy with a platform to stimulate trade growth. When fully developed in line with market demand, ICTT will have a handling capacity of 4m TEU and a quay line of 1,800 metres - the largest under a single operator in the region. "Adds Mr Sharma: "Infrastructure has been a thrust area for the new Government which is also good news for projects in the port sector. Comprehensive inclusive development covering road, rail network and other supporting infrastructure always leads to efficient cargo movement.

"A hub port to handle main line vessels especially on the West Coast of India has been a critical need. A hub port would have the country's export-import (EXIM) trade to start with which is a big advantage. India's EXIM is presently moving via feeder vessels increasing the transshipment volumes being handled at Colombo or Singapore port. This gradually will decrease and lead to a reverse flow of cargo moving from various ports around the region to India.

"Efforts to develop bilateral trade through shipping like the starting of coastal shipping between India and Bangladesh by October 2014 and ongoing projects in rail like the dedicated freight corridor also support and strengthen the functional viability for ports, hence are good tidings for upcoming mainline hub ports."

#### *Crying out for a cabotage re-think*

With regards to the three-year trial relaxing of cabotage regulations introduced on December 2012, Mr Sharma says ultimately there is a need to increase the number of ships available on coastal and feeder routes - be that either foreign-owned or Indian. "Development of coastal shipping is a win-win situation which helps pooling of cargo to reduce the average freight cost as also increases tonnage on the coastal route.

“Indian coastal shipping requires certain policy and fiscal support to dilute the tax burden which affects their viability keeping the benefits of shifting cargo movement from the land to the sea route in mind. Enhancement in coastal shipping would help bilateral trade and also in growth/consolidation of cargo for hub port working.” With the intention of the trial being to boost international trade in India, Mr Singh says DP World has welcomed the development.

Source: [Port Strategy](#), 21<sup>st</sup> August 2014

### **East and South China Sea Disputes Need Creative Diplomacy**

-John Kemp

China and the United States appear headed for a damaging confrontation over the extent of China's territorial claims in the South and East China Seas. Now that China has become the world's largest importer of oil, and energy more generally, the country's need to develop more indigenous energy supplies has become urgent.

Expecting China to put the South and East China Seas off limits to exploration and production until disputes over sovereignty can be resolved through some undefined legal or diplomatic process is unrealistic. Part of the problem is that western analysts and policymakers still fail to appreciate the strategic importance of these areas. It is common to hear maritime disputes between China and its neighbours characterised in terms of uninhabited islands, submerged reefs, historic fishing grounds and unfinished business from World War Two. In reality, the disputes centre on control over areas which are thought to contain substantial quantities of oil and gas, which could be vital to the economic development of all states in the area.

U.S. diplomats were reportedly dismayed when China started to claim the South China Sea was among the country's "core national interests" along with Tibet and Taiwan. But given the potential for developing substantial oil and gas fields in both the South and East China Seas it should have been obvious that they could not be treated as unimportant claims that could be deferred indefinitely.

### *Unfrozen Conflicts*

U.S. diplomats sometimes appear to want to freeze the disputes, a position which is both unhelpful and dangerous. According to U.S. Defence Secretary Chuck Hagel, the United States takes "no position on competing territorial claims" in both seas, but wants disputes peacefully resolved "in accordance with international law."

At a regional security conference in Singapore in May 2014, Hagel singled out what he termed China's "destabilising, unilateral actions asserting its claims in the South China Sea," without apportioning blame to other countries, a one-sided approach that drew a furious protest from China.

Subsequently, General Martin Dempsey, the top US military officer, has become the first chairman of the Joint Chiefs of Staff to visit Vietnam since 1971, fuelling China's suspicions about encirclement and quiet U.S. backing for neighbouring states over maritime disputes. The United States has also refused to recognise China's self-declared Air Defence Identification Zone in the East China Sea and insisted the disputed Senkaku-Diaoyu islands are covered by its mutual defence pact with Japan, even while U.S. officials insist they do not take a view on the underlying issue of sovereignty.

This strategy (expressing no view on sovereignty while trying to freeze the status quo pending an unlikely diplomatic resolution of the disputes) is dangerous and threatens to worsen the standoff because the status quo is not remotely stable.

### *Oil and Gas Potential*

Western analysts and policymakers tend to downplay the potential oil and gas resources of the disputed areas, but this probably understates the amount of energy which could be recovered if the areas were thoroughly developed. Both the South and East China Seas contain sedimentary basins with thick layers of mud, silt and organic material deposited on the floor of ancient seas and lakes. Both have already seen significant oil and gas discoveries.

The South China Sea is ringed with known oil and gas fields off China's Pearl River Delta, Hainan Island and the coasts of Vietnam, Thailand, Malaysia, Indonesia, Brunei and the Philippines. In 2010, the United States Geological Survey (USGS) estimated the South China Sea contains about 11 billion barrels of oil and 145 trillion cubic feet of that have yet to be discovered ("Assessment of undiscovered oil and gas resources of Southeast Asia" March 2010). In global terms, these are relatively modest amounts. For China, however, they are much more significant.

The assessment focused exclusively on coastal areas and did not include potential resources in the deeper waters in the centre of the sea around the islands and reefs which are at the heart of the dispute. The South China Sea remains comparatively unexplored and there is the potential for substantial additional discoveries. China's oil companies believe the area has strong hydrocarbon potential and they have published resource estimates which are an order of magnitude higher than western analysts. The hydrocarbon potential of the East China Sea is even less well known. But there are good reasons to believe that it could hold significant quantities of recoverable oil and gas. Several oil and gas fields have already been found in sea areas claimed by both China and Japan.

The sea borders on the Songliao and Bohaiwan basins have been in production for decades and account for most of China's current oil and gas output. There is therefore a high probability more oil and gas could be found further offshore in the East China Sea itself.

### *Law of the Sea*

With advances in ultra-deep-water drilling the potential for far offshore exploration and production has never been greater and the dispute over sovereignty in the East and South China Seas is unlikely to remain frozen. U.S. diplomats have suggested the disputes could be resolved through international law, norms and diplomacy, without outlining how that might actually be achieved. In its maritime boundary dispute, the Philippines has filed a claim against China under the United Nations Convention on the Law of the Sea (UNCLOS) with the Permanent Court of Arbitration.

UNCLOS is cited by many outside observers as a suitable legal framework for resolving disputes between China and its neighbours. But UNCLOS is not really relevant to the dispute because the core of the disagreement concerns ownership and sovereignty over the islands and other outcrops. Once sovereignty has been established, UNCLOS can help assign rights and responsibilities to all the parties, including control of shipping, fishing and oil and gas drilling. But UNCLOS cannot resolve the underlying disputes about sovereignty in the first place. China has already rejected the arbitrators' jurisdiction, which suggests the process is headed for failure.

### *Creative Diplomacy*

The parties to the various disputes are all now raiding their archives for ancient books, letters and artefacts to bolster their claims to historic control over the disputed islets. Such historical research is unlikely ever to resolve the claims persuasively (just look at Britain's and Argentina's unresolved dispute over the Falklands-Malvinas). The only real solution is diplomatic. The coastal states around the South and East China Seas will have to agree to divide, share or pool their sovereignty in the interests of security and to permit the peaceful exploitation of the resources. There are plenty of examples of such shared resource development, ranging from the Spitsbergen Archipelago in the Arctic to the Neutral Zone between Saudi Arabia and Kuwait. Before the recent flare up, China and Japan had agreed jointly to develop the Chunxiao gas field, which straddles the maritime boundary. The challenge for diplomats, especially from the United States, is to help the parties discover creative solutions that benefit all the coastal states. Instead, U.S. diplomats have encouraged all parties to harden their positions and suggested the entire dispute can be frozen until some ill-defined legal process runs its course.

This strategy will not work and is escalating rather than defusing tensions in the area, encouraging coastal states to pursue maximal claims rather than compromise and negotiate common solutions. It is time that western policymakers recognised that hydrocarbon exploration is both necessary and desirable in both the South and East China Seas. Oil and gas exploration must be a stabilising force for cooperation, rather than a source of conflict and competition.

Source: [Reuters](#), 26<sup>th</sup> August 2014

## The State of Piracy

- John Thompson

Piracy's gone away, right? You'd be forgiven for thinking that. The predominant narrative for the Indian Ocean is that Piracy has been suppressed to an extent that ship-owners are requesting fewer guards, even unarmed in some cases. Certainly private security team composition has adjusted beneath the "rule of four" and the nationality of guards has shifted significantly away from the UK only model. But given the recent attacks in South East Asia and the prevailing amount of maritime crime and piracy off the Gulf of Guinea, Piracy hasn't been eradicated at all; it's simply evolved and will continue to change as it has done for hundreds of years presenting a threat to global maritime trade.

The increased profile of South East Asia/Gulf of Guinea maritime crime and Piracy presents a challenge for PMSCs to offer a global client base effective risk management/mitigation services that can meet their needs. These threats can range from Somali style kidnap of crew and vessel for ransom, to Nigerian style extended duration robbery and kidnap to violent robbery in the Malacca straits. They are all very different and PMSCs must have a range of capabilities in order to advise ship owners properly. The challenge for the ship-owner is to select their PMSC carefully and build a long-term relationship based on detailed mutual understanding and trust.

The recent extension of international naval commitment off Somalia out to 2016 demonstrates that international naval forces view the significant cost of their presence worthwhile and necessary. PMSCs will continue to be required for ship owners/operators to demonstrate that they take the safety and security of their crew seriously and to guarantee security in the many areas where the international naval forces cannot react swiftly. It is clear that the structures onshore in Somalia that support Piracy are still very much intact, with an estimated 40 seafarers still held captive; where piracy might easily return at short notice.



The reality is that the ship owner will ultimately turn to the IMO/BIMCO for guidance and they in turn will rely on international naval forces to determine policy. Recent extensions suggest therefore that guidance will not change significantly over the next 12 to 24 months, even if attacks do not resurface. Undoubtedly the dynamic onshore will continue to change, but the overall trajectory is some way from being decisively clear. In the interim it is the role of PMSCs to provide a cost effective, compliant service that provides the ultimate insurance to ship owners in an uncertain environment.

The reduced frequency of Pirate attacks within the Somali Basin and wider Indian Ocean might appear ironic given the sheer change in the private maritime security sector. It is unrecognizable, with self-regulation coming in at such a rapid pace; the security companies should be applauded for their adaptation to change. Increasingly ISO accredited, they're firmly part of the Commercial Shipping Industry supply chain, where PMSC's are members of Shipping Associations and reflect an industry driven and governed by standards, quality and safety. Established PMSC's, like Ambrey, have their own in-house training facilities, with courses ranging from 'First Person on Scene' and 'First Aid' through to City & Guild Accredited courses to prepare an individual for the private security sector.

Further afield, the threat has adapted to present fresh challenges to Ship-owners. The Gulf of Guinea is beset with many problems on and offshore, where criminals are proving adept at moving between basic product theft (bunkering) through to the targeting of high value internationals for kidnap and subsequent ransom. Wider still are West Africa's challenges of overcoming transnational organised crime: extortion, national embezzlement, human trafficking, drug & arms smuggling and of course piracy. The recent intervention by the Nigerian Navy is policing their territorial waters and making the use of private suppliers illegal is a concern and indicative of a region struggling to create consistency in combating maritime crime. In South East Asia, piracy attacks have apparently become more prevalent, where attacks have been mainly focused on robbery at sea, some product theft but displaying a capability to move towards hijack. The 'surge' of attacks is more likely down to better reporting than an actual increase in maritime crime, but this in itself is welcome, where the sharing of information is wider, more transparent and consistent. In this

region, the private armed deterrent is unlikely to be utilized with so many states surrounding these crucial sea-lanes, but as in West Africa, PMSC's might be able to respond in support to existing Navies and Coastguards.

Piracy and Maritime Crime has not changed a great deal, there will continue to be individuals seeking to profit illegally on the high seas, but the nature of the threat evolves. Increasingly viewed as a credible and effective option, the Private Maritime Security sector continues to adapt its offering to mitigate and manage the risk to its clients operating in a complex environment. Private Maritime Security might be an uncomfortable part of the supply chain perhaps, but integral to the safe passage of cargo, vessel and crew.

Source: [Maritime-Executive](#), 26<sup>th</sup> August 2014

### **Security or Investment: Balancing Japan's Long-Term Foreign Policy**

-Clint Richards

Part of Japan's new push to normalize its military stems from a long-term imperative to ensure its sea lines of communication (SLOC) and to protect its deepening interests in Southeast Asia and the greater Indian Ocean. Recent investments and partnerships show how Japan sees this interaction unfolding. While the U.S. has been Japan's (and indeed the world's) guarantor of blue water navigation and access since the end of the Cold War, some nations now question its long-term commitment and ability to fulfill that role. Even as Japan seeks to draw itself closer to the U.S. within their alliance, it is looking for new regional partners to not only generate economic growth (which will continue to stagnate domestically as the population declines), but also to protect Japanese trade and energy imports through waters that are increasingly contested with China.

While The Diplomat has noted Japan's latest moves to build security relationships in Southeast Asia with countries like Australia, the Philippines and Vietnam, mainly through the sale of military hardware and technology, it is also attempting to do the same in the Indian Ocean. During Indian Prime Minister Narendra Modi's visit to

Japan next week, the two leaders are expected to strengthen their security relationship by signing a “two-plus-two” mechanism to ensure regular meetings between their foreign and defence secretaries. The two will also likely sign deals for sea lane cooperation, joint navy drills, and the sale of Japanese hardware like the US-2 amphibious aircraft.

On Tuesday the Nikkei reported that Japan plans to offer aid for maritime security to Sri Lanka during Prime Minister Shinzo Abe’s visit next month. This strategy is mainly intended to counter China’s already large investments in the country and elsewhere in the region, particularly in infrastructure like ports. Japan plans to offer advisors to Sri Lanka’s coast guard as well as making assessments about the possible supply of patrol ships at a later date. A friendly Sri Lanka could help protect future Japanese natural gas imports from Mozambique once they come online, as well as mineral exports from central and eastern Africa.

In addition to finding new security partners in the Indian Ocean, Japan’s coast guard is looking to double its current budget in fiscal 2015 to 50.4 billion yen (\$485 million) in order to acquire four new high-performance patrol vessels and three more jets. The acquisitions will enable it to accelerate “efforts to create an around-the-clock air patrol system and to enhance maritime policing of the area around the Senkakus.” These actions, along with its new remote island defence plan, show that Japan is looking to increase its security profile along the entirety of its supply chain through the Indian Ocean and to its home islands.

Japan’s latest security efforts are partially to protect its own SLOC, and also to enhance regional security in places where its largest companies are steadily increasing investment. There are two recent examples that highlight the scale of this trend. The first comes from Bangladesh where Japan has announced it will provide 600 billion yen over the next four or five years to develop an industrial area that will include major infrastructure projects linking the capital of Dhaka with a port near the city of Chittagong. The deal will also create special economic zones for new (read Japanese) enterprises as well as industrial parks. The details of the deal will be discussed when Abe meets with Prime Minister Sheikh Hasina next month. This level of investment would put Bangladesh at or near the same level of development

assistance currently received by Japan's largest recipient, Vietnam, as Tokyo is seeking to increase its influence to the same scale before China also makes significant inroads.

The second example is in Indonesia, where one of Japan's three largest banks, Sumitomo Mitsui Banking, is seeking to tap the country's large pool of citizens who currently don't have a bank account, estimated to be between 60 and 70 million people. The Japanese bank's local affiliate will allow these people to use its services (such as withdrawals, transfers and deposits) by using their cell phones as proof of identity. Sumitomo Mitsui is making a long-term bet that this portion of the population will become profitable as it begins to have better access to dependable and previously unavailable banking services, and that their loyalty will provide the bank with a consumer base that could become vastly more profitable if Indonesia continues on its current growth path.

Japan's investments and partnerships in the wider Indo-Pacific region can be expected to continue throughout the near to medium-term. The challenge will be keeping government investments at the same level as private or corporate investments, and thus attempting to grow its security profile in order to protect its ever widening economic profile. While Japan's banks and largest corporations sit on enormous pools of assets and capital with no real way to profitably invest domestically over the long-term given the country's shrinking population, their only real option is to look abroad. However, as the national government becomes increasingly burdened by its own debt (already at 240 percent of GDP) and an aging population that requires more resources without a widening tax base to pay for it, its ability to continue supplying aid to Japan's partners will decrease. Given Japan's growing economic presence abroad, the government will need firm partnerships in place before its own abilities diminish.

SOURCE: [The Diplomat](#), 28August 2014

## Naval Shipbuilding in India: Challenges and Way Ahead

-Gurpreet S Khurana

The new Indian government is buoyed up to render all support to its Navy in its 'blue-water' role meant to safeguard India's economic and maritime interests. This spirit was evident in the Defence Minister Arun Jaitley's address at the Naval Commanders' Conference in June 2014. It, however, remains to be seen how the new dispensation in New Delhi is going to provide such support in the light of the major challenges that exist. Increasing the Navy's budgetary share may be necessary, but the paucity of funds has not been the only impediment

The indigenous warship building industry – the bedrock of a nation's naval power – may be among the most crucial stumbling blocks to the Indian Navy's ability to undertake blue-water missions more comprehensively. This is notwithstanding the existing plan for indigenous construction of nearly all 44 ships and submarines that are likely to be inducted in the Indian Navy over the next 10-15 years. It is beset by delayed timelines and dependence on foreign suppliers. The lack of self-reliance leads to high production and life-cycle costs, the uncertainties with regard to assured supply of spare-parts, and also the stretching of timelines. Warship building capacity may be disaggregated into three elements, which pertain to the ship's ability to 'Float', 'Move' and 'fight'.

The '**Float**' element refers to the ship's (water-tight) structure. Notably, the indigenous content for this element is stated to be as high as 90 percent, which is primarily due to the availability of the right quality of war-grade steel. The major challenges lie in the hull-design and construction process. Despite years of experience, Indian shipyards have not been able to develop their own hull designs, which need to be given by the IN. Also, Indian shipyards follow the traditional processes involving the construction of the hull progressively from the keel upwards, which is a prolonged process as compared to the modern modular method. The modular method followed by major shipbuilding nations involves the fabrication of 'modules' at different locations, and final assembly in the designated shipyard.

The **‘Move’** element refers to the appropriate propulsion system of the warship. For example, if a ship is meant for a quick response mission, it is more likely to be equipped with a diesel engine. If its role is optimised to undertake a high-speed attack (such as in case of the missile boat attacks during the 1971 Indo-Pak conflict) it would have gas-turbines. A ship meant for long endurance missions would rather be propelled by steam turbines, or a nuclear power plant. The current indigenous content for ‘Move’ element averages to about 60 percent. This needs to be enhanced through adequate investment in design and development of indigenous gas-turbines, which is a major void. (China is also struggling to develop its own gas-turbines) India would also need to develop greater self-sufficiency in developing miniaturised nuclear reactors for nuclear submarines, and also for major surface vessels like the aircraft carriers. India would also need to undertake research on the efficacy and cost-effectiveness of electric propulsion systems.

The **‘Fight’** element relates to weapons and sensors pertaining to all dimensions of naval operations, viz. surface, sub-surface, air and the electromagnetic-cyber spectrum. Although the current indigenous content for the ‘Fight’ element is stated to be 30 percent, this proportion includes foreign-origin license-manufactured weapon-systems. Hence, with the exception of some anti-submarine sensors and electronic warfare suites, this element is largely foreign, and thus, a gaping void in Indian warship building capacity. While the DRDO focusses on strategic missiles, the tactical missile and gun systems also need the emphasis they deserve.

The indigenous warship building industry is also characterised by limited participation by private entrepreneurs in the country. In the advanced shipbuilding nations, such participation is effectively the launch pad for indigenisation. In recent years, some private companies like Pipavav Shipyard, Larson & Toubro (L&T) and Kirloskar have begun constructing warships and their propulsion systems. The expertise of these companies would need to be coordinated, for example, to integrate the turbine, gear-box and shafting manufactured by L&T into the hull-form constructed by Pipavav. Also, the new government would need to provide more incentives to private players.

Source: [Indian Express](#), 28<sup>th</sup> August 2014



### **Kerry eyes US-China partnership despite tensions**

Improving US cooperation with China is critical to maintaining stability and security in the Asia-Pacific as well as combating the effects of climate change, US secretary of state John Kerry said. Wrapping up an eight-day, around-the-world diplomatic trip and his sixth visit to Asia as America's top diplomat, Kerry on Wednesday outlined renewed priorities for much of the Obama administration's much-touted "pivot to Asia" during its final 2 years, including a focus on strengthening US-Chinese partnership in areas of agreement and bridging gaps in areas of contention. "One thing I know will contribute to maintaining regional peace and stability is a constructive relationship between the United States and China," Kerry said in an address to the East-West Center think tank in Honolulu. "The United States welcomes the rise of a peaceful, prosperous and stable China: one that plays a responsible role in Asia and the world and supports rules and norms on economic and security issues."

"We are committed to avoiding the trap of strategic rivalry and intent on forging a relationship in which we broaden our cooperation on common interests and constructively manage our differences and disagreements," he said. Kerry arrived in Hawaii after stops in Afghanistan, Myanmar, Australia and the Solomon Islands during which tensions between China and its smaller neighbours over competing territorial claims in the South China Sea were a major subject of discussion. At a Southeast Asia regional security forum in Myanmar over the weekend, Kerry formally unveiled a US proposal for a voluntary freeze on provocative actions by all claimants, including the Chinese. The US says that it has no position on the competing claims but does regard stability in the South China Sea as a national security issue, given the region's role as one of the world's busiest maritime shipping zones.

"We do care about how those questions are resolved, we care about behaviour," Kerry said. "We firmly oppose the use of intimidation, coercion or force to assert a territorial or maritime claim by anyone. And we firmly oppose any suggestion that freedom of navigation and overflight and other lawful uses of the sea and airspace



are privileges granted by big states to small ones. All claimants must work together to solve the claims through peaceful means. These principles bind all nations equally, and all nations have a responsibility to uphold them."

Source: [TOI](#), 15<sup>th</sup> August 2014

### **Nigeria: UK, Nigeria Partner to Boost Maritime Security**

The British Navy and its Nigerian counterpart will build a synergy through information and experience sharing in order to strengthen their capacity to deal with insecurity and illegal activities within Nigeria, the West African coast and across the Gulf of Guinea. This was the submission of the Commanding Officer of the British Naval War ship, the Iron Duke, Tom Tredary during its six day working visit to Nigeria. He said the move was inspired by the need for the Nigerian Navy and the British Navy to share information and experience in order to boost maritime security within the Gulf of Guinea and especially within the West African coast.

Addressing newsmen on board the Iron Duke in Lagos, he said, "Maritime security is a problem that affects all nations. It's important that security is given the required attention in order to reduce illegal activities at sea. It requires concerted efforts by all navies to do that. We think that we can share experiences we have had in combating piracy in the Indian Ocean and Somalia. "This will help the Nigerian Navy to refine the techniques that they already use to try and bring a great deal of law and order in the Gulf of Guinea. We think that there is a lot that we can learn from each other because Nigerian Navy has a better understanding of activities around these waters and we have a great understanding of activities patrolling the Gulf of Guinea, so we can share experiences," he said.

Speaking further, he added that, "By tackling the shared threats, we aim to help Nigeria build confidence that will see the evolution of stronger international partnerships, greater investment in industrial development and employment, and consequently greater Nigerian industrial reach into international markets. Our cooperative solution will directly deter illegal trade and criminal activity and at the same time secure legitimate trade revenues and protect commercial and environmental interests."

Also speaking, the British High Commissioner to Nigeria, Mr. Andrew Pocock while commending the move, noted that the relationship between the United Kingdom and Nigeria is long standing and strong. He added that Nigeria and the UK had worked together in diverse areas such as political and international relations, education and research, security and defence, as well as issues of economic and trade interest to Nigeria and the UK.

Source: [All Africa](#), 15<sup>th</sup> August 2014

### **PLA Navy is 30 years behind US, Says Retired ROC Officer**

The People's Liberation Army Navy will expand the area denial range of its DF-21 ballistic missile to reach 2,500 km and operate three aircraft carriers by year 2020. However, China is still 30 years behind the US Navy, said Lan Ning-li, a retired Taiwanese vice admiral, our sister paper Want Daily reported on Aug. 16. Lan was speaking at a forum in Taipei on Aug. 15 on the rise of China's naval power held by the Institute for National Policy Research, where he said that China is extending its effective force projection area further offshore.

PLA warships equipped with equivalents of the Aegis Combat System now outnumber those of the US Seventh Fleet. The Type 055C destroyer, which Lan believes will be the main escort in a PLA carrier group, has similar missile capabilities to US Aegis vessels. The 18 frigates carrying supersonic anti-ship missiles China managed to build within three years are capable of precise attacks with guided missiles.

Among China's 52 submarines, 42 have been upgraded and the PLA fleet now poses a serious threat to US naval power up to the Pacific First Island Chain. The PLA Navy will also soon have second strike nuclear capability, with five strategic nuclear submarines already in service, according to Lan. China's president, Xi Jinping, once said, "The vast Pacific Ocean has enough space for two large countries like the United States and China." Lan believes however that sea power is hegemonic by nature and cannot be divided to meet the demands of each party.

However, Lan concluded that China does not fully understand the capabilities of the US Navy and that politics has encouraged the unrealistic talking-up of the country's current military development within China. There is about a 30-year gap between the US and China; before that, Japan is still the standard for China to pursue, he said.

Source: [Want Chinatimes](#), 16<sup>th</sup> August 2014

### **Modi Dedicates Indigenously Built Warship INS Kolkata to the Nation**

Prime Minister Narendra Modi dedicated to the nation the indigenously designed INS Kolkata, the Indian Navy's most modern destroyer at the Naval Dockyard and said the warship was evidence of the country's technical and intellectual capabilities.

Addressing naval officers and sailors after commissioning the ship, Mr Modi described INS Kolkata as proof of India's "buddhibal" (intellectual capabilities). He said India's aim was to achieve such prowess in its defence capabilities so that no one dared to cast an evil eye on the country. The Prime Minister mentioned the provisions made in the recent budget for defence offsets, and said the world's best arms and equipment manufacturers would be invited to set up manufacturing facilities in India, and a day would come when India would be completely self-reliant in defence production.

INS Kolkata incorporates new design concepts for stealth and has many firsts to her credit, including a very large indigenous combat component. The ship is packed with state-of-the-art weapons and sensors including the vertically launched Long Range Surface to Air Missiles (LRSAM) coupled with the MF-STAR multi-function active phased array radar, which is fitted for the first time on an Indian Naval ship.

She is equipped with advanced supersonic and long range BrahMos Surface to Surface Missiles – a joint Indo-Russian venture. The 76 mm Super Rapid Gun Mount (SRGM) and AK 630 CIWS, both manufactured indigenously, can take on air and surface targets.

Source: [Net Indian](#), 16<sup>th</sup> August 2014

### **Sri Lankan Navy hands over 94 TN fishermen**

Sri Lankan navy on Saturday handed over 94 Tamil Nadu fishermen taken into custody by them to the Indian Coast Guard at the International Maritime Boundary Line, police said. The fishermen, belonging to Ramanathapuram, Nagapattinam and Pudukottai districts, were taken into custody by the navy last month on charges of violating IMBL, police inspector Kennady said.

Sri Lankan President Mahinda Rajapaksa had on August 13 ordered their release as a goodwill gesture ahead of India's Independence Day. The fishermen would be brought to Rameswaram by the Coast Guard personnel by Saturday evening, Mr. Kennedy said. Sri Lanka has released 225 Indian fishermen since the Narendra Modi government took over in May this year. The 94 fishermen were the fresh batch released by the island nation. Tamil Nadu Chief Minister had last month wrote to Prime Minister Modi urging him to take immediate steps to get the 94 fishermen released along with 62 boats that were confiscated by the Sri Lankan navy.

Source: [Hindu](#), 17<sup>th</sup> August 2014

### **Drug Busting Darwin Returns from Middle East**

The crew responsible for intercepting and destroying billions of dollars' worth of narcotics, including the largest seizure of heroin in the history of the Combined Maritime Forces, has returned home. HMAS Darwin and her 232 person crew docked at Garden Island, Sydney today after seven months of successful maritime security operations in the Middle East Region.

Hundreds of family and friends of the ship's company were on the wharf to welcome the warship back to her home-port. Commander Australian Fleet, Rear Admiral Stuart Mayer, CSC and Bar, RAN joined Darwin the night prior to arrival and said the ship had made a tangible contribution to global security. "Darwin intercepted and destroyed over \$2.1 billion of narcotics during her deployment," RADM Mayer said. "By removing these drugs from circulation, Darwin denied extremist and terrorist organisations a key funding stream and promoted a secure maritime environment for the benefit of legitimate mariners."

Source: [Marine Link](#), 18<sup>th</sup> August 2014

### **China may obtain Russia's latest air missile system S400**

Chinese military commentators said China may become the first foreign buyer of Russia's S400 surface-to-air missile system, which could help the country integrate its air defence and anti-missile systems, reports Chinese national broadcaster CCTV. The S400 system comes with powerful radar and has anti-jamming capabilities. It is able to create a multi-layer air defence structure with three guided missiles of different ranges as well as tracking hundreds of targets and attacking up to 36 of them at once.

The system could affect regional security if China bought the system and planted it within range of the disputed Diaoyutai island (Diaoyu or Senkaku), said Paul Schwartz, a researcher for the Center for Strategic & International Studies' Russian and Eurasia Program. Negotiations between China and Russia over the system have been difficult since China has different needs for its air defense, said military commentator Du Wenlong.

The system's operational height and range, the range of its radar and the number of targets the radar tracks will all need to be adjusted. Du said the sale will not be simple weapons trade but a technology transfer that could enhance China's air defense and anti-missile capability as a whole in the future.

Unlike the system's predecessor S300, S400 is compatible with weapons made by other countries and sports superior performance. The system can hit a target 10m to 60km above ground and intercept a ballistic missile from 30km away. Its life span has also greatly improved to 20 years.

Source: [Want China Time](#), 18<sup>th</sup> August 2014

### **Number of Piracy Incidents in Asia Drop during July**

Piracy and armed robbery linked events in Asia have marginally dropped to 14 in July from 21 in June, according to the latest monthly piracy report from anti-piracy watchdog, ReCAAP. The report added that about half of piracy incidents were theft, of which two were hijacks and one armed robbery aboard the Ji Xiang on 25 July.

Hijacking situations to obtain oil cargo have become an issue in the Asian region this year, with nine reported attacks on tankers, according to the report.

With half of the incidents cropping up in the South China Sea, the report warned that vessels anchoring outside port limits to avoid port dues are highly vulnerable to attack and should exercise caution. Urging crews to exercise greater vigilance, which is key to foiling boarding attempts, the anti-piracy regulator noted that piracy incidents are fluctuating with many ups and downs in the last year. Figures have declined from 17 in July 2013 to nine in September, and then rose to 20 in October of the same year.

However, several sources noted that the continual rise in attacks is fuelled by a number of informed criminal gangs who use intelligence on vessel cargoes and routes to launch their attacks. Several western private maritime security companies (PMSCs) are turning to Asia as a potential new market for their services, even amidst increasing hijacking reports in the region.

Source: [Ship-Technology](#), 18<sup>th</sup> August 2014

### **Chinese survey ships spotted in Philippine waters, Aquino says**

Two Chinese survey ships were spotted inside Philippine waters near the site of a confrontation between the countries in 2012 and threaten to further strain ties between the countries, President Benigno Aquino said. "What are they doing there? What studies are they doing?" Aquino said on local news channel TV 5 in an interview that aired late Sunday. "I hope this does not lead to renewed tensions between our two nations."

Tensions have been on the rise in the South China Sea as China becomes more aggressive in asserting its claims to about 90 percent of the area, including over territory claimed by the Philippines, Malaysia, Brunei, Vietnam and Taiwan. The deepening spat with China prompted the Philippines to seek arbitration from the United Nations that the Chinese have rejected.

The Philippine military monitored the Chinese ships in the area of Reed Bank, 80 nautical miles from the western Palawan province and clearly within the Southeast Asian nation's 200- nautical-mile exclusive economic zone, Aquino said.

Source: [Stripes](#), 19<sup>th</sup> August 2014

### **Indian Warship Arrives in Manila for Port Visit**

Philippine News Agency – One of India's most modern surface combatants, the INS Sahyadri, arrived Wednesday in Manila South Harbour for a routine port call and visit which aims to strengthen the naval ties between the two countries. INS Sahyadri is a Shivalik class stealth multi-role frigate constructed by Mazagon Dock Limited in Mumbai, India. Construction of the vessel began in 2003 and was completed by 2011.

Prior her arrival in Manila, she was one of the participants in Exercise RIMPAC 2014 in Hawaii last July. INS Sahyadri steamed around 5,000 nautical miles (9,000 kilometers) to get to Manila.

Source: [angmalaya](#), 20<sup>th</sup> August 2014

### **China Secretly Conducts Second Test of Ultrasonic Missile**

The Chinese regime has conducted a second test of its high-speed, ultrasonic missile, according to The Washington Free Beacon which cited unnamed government sources. The hypersonic glide vehicle (HGV), or the Wu-14, is part of China's push to develop weapons that could strike the United States with nuclear warheads.

The test was conducted in secret on Aug. 7 at a missile facility in western China, according to the Free Beacon. China conducted its previous test in January, which was later acknowledged by several official sources including the Chinese Defense Ministry .China isn't alone in its research on hypersonic missiles. The United States, India, and Russia are also doing research on the missile systems that can travel between Mach 5 and Mach 10, or between 3,840 and 7,680 miles per hour. It could strike any place on earth within 30 minutes.



Members of the House Armed Services Committee voiced their concerns over China's research on hypersonic missiles on Jan. 13. In a joint press release, they stated "While round after round of defence cuts have knocked America's technological advantage on its back, the Chinese and other competitor nations push towards military parity with the United States; in some cases, as in this one, they appear to be leaping ahead of us."

Source: [the epochtimes](#), 20<sup>th</sup> August 2014

### **Japan, India Eye Launch of Security Dialogue involving Foreign, Defence Chiefs**

Japan is eager to strengthen security ties with countries in the Asia-Pacific, as China's influence is growing. Beijing is now giving support to countries in South Asia, including Sri Lanka, in an apparent bid to expand its reach into the Indian Ocean, and Chinese President Xi Jinping is expected to visit India in September.

Tokyo and New Delhi are now making arrangements to upgrade the existing dialogue mechanism on diplomacy and defence, currently at the vice-ministerial level. The first such meeting was held in New Delhi in July 2010, and the second in Tokyo in October 2012. During the summit, Abe and Modi are expected to confirm cooperation in ensuring the safety of sea lanes through exchanges between coast guards, as well as joint drills between the Maritime Self-Defence Force and the Indian Navy, according to the source.

The two countries will also likely step up preparations for Japan to export its US-2 amphibian aircraft, which can be used in search and rescue operations, after Tokyo eased its rules on the sale of defence equipment and the transfer of defence technology in April.

Source: [Japan Times](#), 22<sup>nd</sup> August 2014

## **World Navies Prepare for Kakadu 2014 Maritime Exercise**

Maritime forces from 15 coalition nations are set to take part in the 23rd Kakadu 2014 exercise. It is claimed to be the Royal Australian Navy's (RAN) largest maritime warfare exercise and will be held from 25 August to 12 September in Darwin, Australia. Mainly aimed at concentrating neighbours from the Asia Pacific and Indian Ocean regions to develop and improve maritime capabilities, the exercise involves 1,200 personnel, eight warships and 26 aircraft.

During the opening week, the participants will perform tactical warfare planning and cultural exchanges in Darwin, followed by high-end warfare serials at sea such as naval gunfire, communications, boarding and air defence. Australian Fleet commander rear admiral Stuart Mayer said: "We will focus on the maritime warfare aspects common to all of the forces involved, so we can further develop mutual understanding in multilateral operations ."Solid naval cooperation enables a secure and stable maritime environment, ultimately leading to safety, trust, peace and prosperity on the high seas for all.

"Australia has strong and enduring relationships with all of the participants here today and we are very pleased to be hosting them for one of our most important warfare exercises. "The exercise will involve warships and aircraft from Australia, Japan, Pakistan, the Philippines, New Zealand, Bangladesh, Cambodia, China, Malaysia, Papua New Guinea, Republic of Korea, Singapore, Thailand, Timor Leste and Vanuatu.

Participants from the RAN include HMA ships Sydney, Stuart, Newcastle and Arunta, along with S-70-B2 'Seahawk', Bell 429 and MRH90 'Taipan' helicopters. The Royal Australian Air Force will send four 127 Hawks, four F/A-18F Super Hornets, an E-7A Wedgetail and an AP-3C Orion.

Source: [Naval-Technology](#), 22nd August, 2014

### **On Land and Sea, China's Nuclear Capability Growing**

Earlier this month, a minor Chinese environmental office broke some of the biggest news in nuclear missile technology since the end of the Cold War. The Shaanxi Province Environmental Monitoring Center posted a work summary of its projects, which included site monitoring for research into the Dong Feng-41 missile. The Department of Defence told Congress earlier this year that China was developing the DF-41, a road-mobile, next-generation intercontinental ballistic missile capable of launching multiple nuclear warheads.

The missile had been conceptualized for years, well before China's military modernization of the past decade began. However, no Chinese governmental agency was willing to confirm its development until the provincial environmental office's website did so. The post was quickly taken down, but only after it had been reported by the China Communist Party-affiliated Global Times.

The DF-41 news comes amid reports that China also conducted tests this month of its current land-based missile standard, the DF-31A. U.S. officials also expect China to have operational nuclear missile-equipped submarines this year. The HK-6 bomber, a nuclear-capable aircraft with a range of about 2,000 miles, became part of the Chinese arsenal last year. Collectively, it represents a nuclear triad, the decades-old standard that the United States still counts on for surviving a global nuclear war. The Chinese triad remains heavily imbalanced in favour of land-based missiles, since its aircraft can't fly very far and its submarines may not be all that reliable, according to analysts.

However, the bigger question remains: Why is China, a country with a "no first-use" policy, upgrading its nuclear arsenal at a time when the United States and Russia are reducing their stockpiles?

Source: [Stripes](#), 22nd August 2014

### **Pentagon: China tried to Block U.S. Military Jet in Dangerous Mid-Air Intercept**

The Pentagon on Friday blamed China for instigating a dangerous midair encounter with a U.S. military aircraft off its coast, saying that a Chinese fighter jet made several threatening passes during an intercept in international airspace. Rear Adm. John Kirby, the Pentagon press secretary, said the U.S. government filed a formal complaint with China about the near miss between a Chinese J-11 fighter jet and a Navy Poseidon P-8 patrol aircraft 135 miles east of Hainan Island. The incident occurred Tuesday, he said.

Kirby said the Chinese fighter jet brought one of its wingtips within 20 feet of the Poseidon, performed a “barrel roll” at close range and also flashed past the nose of the U.S. aircraft at a 90-degree angle with its underside exposed, apparently “to make a point of showing its weapons. “This kind of behaviour not only is unprofessional, it’s unsafe,” Kirby told reporters.

The risky incident was the latest in a series of near misses between Chinese and American ships and aircraft as both countries have sought to assert their military might in the East China and South China seas.

Source: [Washington Post](#), 22<sup>nd</sup> August 2014

### **Nigeria: Towards a Secured Maritime Domain**

The Nigerian Maritime Administration and Safety Agency (NIMASA) is partnering with the Nigerian Air force to provide air surveillance of the country's exclusive economic zone (EEZ), boosting air and water capabilities in addressing the menace of piracy and criminality on the country's territorial waters. As Nigeria battles to come out from the list of areas with dangerous waters, the recent Memorandum of Understanding (MoU) between the Nigerian Maritime Administration and Safety Agency (NIMASA) and the Nigerian Air force, seems to be a veritable platform to achieving it.

The Agency's capacity to tackle illegalities at sea is further strengthened by the statutory role of the Nigerian Air force in defending the territorial integrity of Nigeria by Air and their establishment of a reputable and efficient maritime capability in the

Gulf of Guinea through their ATR 42 Maritime Patrol Aircraft (MPA) and other platforms.

The Gulf of Guinea, which covers Nigerian waters, is regarded as the most dangerous waters after the Somalia and the Gulf of Aden waters. Nigerian waters has also been designated a "war-risk zone" by the International Protection and Indemnity (P&I) Clubs for purposes of maritime insurance on vessels, cargo and crew destined for Nigerian ports. This means that vessels and cargo owners have had to pay higher premium on their insurance policies, but the cost is passed on to the end users of the products carried by the vessels.

Source: [All Africa](#), 22<sup>nd</sup> August 2014

### **Beijing and Manila's Maritime Dispute Shows Signs of Escalation**

Thitu Island is the second largest of the Spratlys. It is controlled by the Philippines. Territorial disputes between China and the Philippines in the South China Sea have intensified since August, with Philippine officials and reporters travelling to Thitu Island, the second largest of the Spratly islands, and Chinese vessels spotted in the area of Reed Bank in the Philippines's EEZ, reported our Chinese-language sister paper China Times on Aug. 22.

The Philippine Star reported a clash on Aug. 1 when a Philippine fishing boat carrying officials and reporters toward Thitu Island was harassed and chased away by a Chinese patrol. The Philippine boat was chased to Second Thomas Shoal, which is held by the Philippines, and finally forced to return to international waters.

The president of the Philippines, Benigno Aquino III, said on Aug. 21 that two Chinese maritime exploration vessels had been spotted in an area of the country's exclusive economic zone which is rich in gas and oil, while the Philippine military reported two China vessels around Reed Bank.

Aquino did not specify where the two Chinese vessels to which he referred were found — they are presumed to be the same — but he accused Beijing of displaying a two-faced approach to negotiations over the South China Sea dispute, sometimes friendly and sometimes threatening.

China is expanding its the area of its patrols and has set identifying markers in the Reed Bank, according to a senior Philippine official. The official said the Philippines will destroy Chinese markers that it finds.

Zhuang Guotu, dean of the Center for Southeast Asia Studies at Xiamen University, said that Chinese vessels have been exploring, patrolling and fishing around Reed Bank for nearly two decades and Aquino's statement was hardly news. China claims the majority of the South China Sea within a controversial nine-dash line. Taiwan makes a similar claim. Other claimants in the region, rich in natural resources, include the Philippines, Vietnam, Malaysia and Brunei.

Source: [Maritime Security](#), 23<sup>rd</sup> August 2014

### **India Flexes Naval Muscle as INS Kamorta Inducted**

Defence Minister Arun Jaitley on Saturday commissioned India's first indigenously-built stealth anti-submarine warfare INS Kamorta at naval dockyard in Vishakhapatnam. Speaking on the occasion, Jaitley said, "I am sure INS Kamorta will serve this country effectively for a very long time."

Defence Minister said, "One of the initiatives of the government of India is indigenous manufacturing of defence equipment." Kamorta is the first of four ASW stealth corvettes designed by Indian Navy's in-house organisation, Directorate of Naval Design (DND), and built by GRSE, a statement from the Eastern Naval Command here said. It would carry short-range Surface-to-Air missiles (SAM) and Active Towed Array Decoy System (ATDS). It can also carry an integral ASW helicopter.

Kamorta has been constructed using high-grade steel (DMR 249A) produced in India. Its weapons and sensors suite showcase the nation's growing capability in designing and developing sophisticated weapon systems, which include heavy weight torpedoes, ASW rockets, medium-range guns and close-in-weapon systems comprising two multi-barrel guns. The sensors include the most advanced bow-mounted sonar and indigenous air surveillance radar with a capability to detect

targets 200 km away. Kamorta has enhanced stealth features that make her less susceptible to detection, the release stated.

Just few days before, the largest destroyer INS Kolkata was commissioned without the LR SAM (Long Range Surface-to-Air missile) suite of the Kolkata, the Barak 8 missile which is being developed jointly by India and Israel. Several key weapon systems and sensors are missing, either being developed or yet to be procured. The Barak is meant to intercept incoming missiles and aircraft at ranges out to at least 70 kilometres.

Source: [Sahara Samay](#), 23<sup>rd</sup> August 2014

### **Chinese ships log 20<sup>th</sup> intrusion into Senkaku waters this year**

Four China Coast Guard vessels intruded into Japanese territorial waters Sunday morning near the disputed Senkaku Islands in the East China Sea, the Japan Coast Guard said. It was the 20th intrusion by Chinese government ships this year and the first since Aug. 12. The vessels, identified as the Haijing 2102, 2113, 2146 and 2305, had been in a contiguous zone just outside the territorial waters, the coast guard said, adding that its patrol vessels had been warning them to leave.

The four ships crossed into Japanese waters northwest of Uotsurijima, one of the Japanese-administered islets, around 10 a.m., according to the Coast Guard's 11th regional headquarters in Naha, the capital of Okinawa Prefecture. The uninhabited islets, about 400 km west of Okinawa's main island, are claimed by China and Taiwan, which call them Diaoyu and Tiaoyutai, respectively.

Source: [Japan Times](#), 24<sup>th</sup> August, 2014

### **Maritime Sector Cyber-attack Risk Rising, IMB says**

The International Maritime Bureau said the threat of cyber-attacks in the maritime sector has intensified in the past few months, as shipping and supply chains become the "next playground for hackers." Cyber-security experts and media are warning of the dangers posed by criminals targeting carriers, ports, terminals and other



transportation operators, IMB said. They argue that while IT systems have become more sophisticated, thus enabling companies to better protect themselves against fraud and theft, it has also left them more vulnerable to cyber criminals.

“We see incidents which at first appear to be a petty break-in at office facilities. The damage appears minimal — nothing is physically removed,” Mike Yarwood, TT Club’s insurance claims expert, said at a recent conference in London. “More thorough post incident investigations however reveal that the ‘thieves’ were actually installing spyware within the operator’s IT network.”

Yarwood said common targets also include individuals’ personal devices, which have less adequate cyber security. Recent events have shown that systems managing the movement of goods need to be strengthened against the threat of cyber-attacks,” IMB said. “It is vital that lessons learnt from other industrial sectors are applied quickly to close down cyber vulnerabilities in shipping and the supply chain.”

Just last week, UPS said that hackers may have stolen payment information from an undisclosed number of shipping customers of The UPS Store in a period stretching from January to August, and in July, a sophisticated computer attack launched from China stole financial records, customer data and shipment manifests from as many as seven shipping and logistics companies. For those involved in the movement of goods, cyber security is an ever-increasing headache.

Hackers also often make use of social networks to target truck drivers and operational personnel who travel extensively to ascertain routing and overnight parking patterns, according to IMB. The criminals are looking to extract information such as release codes for containers from terminal facilities or passwords to discover delivery instructions.

“In instances discovered to date, there has been an apparent focus on specific individual containers in attempts to track the units through the supply chain to the destination port,” Yarwood said. “Such systematic tracking is coupled with compromising the terminal’s IT systems to gain access to, or generate release codes for specific containers. Criminals are known to have targeted containers with illegal

drugs in this way; however such methods also have greater scope in facilitating high value cargo thefts and human trafficking.”

Consultant BSI estimated that global cargo theft resulted in losses of \$22.4 billion worldwide in 2013, and it remains a challenge for beneficial cargo owners, especially those with high-value and liquid goods. Electronics, including cell phones, are the most frequently targeted commodities, BSI said.

In June, the U.S. Government Accountability Office reported federal agencies aren't doing enough to stop cyber threats at the 360 sea and river ports in the U.S. The year-long investigation, which began in April 2013, showed that while on-the-ground security has been addressed, cybersecurity is lacking.

Source: [Joc.Com](#), 25<sup>th</sup> August 2014

### **Vietnam seeks greater role for India in South China Sea**

Praising Prime Minister Narendra Modi for reaffirming India's Look East Policy and cooperation with ASEAN, Vietnam on Monday called for a deeper role for India in maintaining freedom of navigation, maritime safety and security in the resource-rich South China Sea. Recalling External Affairs Minister Sushma Swaraj's statement in Myanmar earlier this month, Vietnamese Deputy Prime Minister and Foreign Minister Pham Binh Minh said, "India's strategic partnership owes its strength to the fact that your Look East policy meets our ASEAN's outward looking policy."

He said the Association of Southeast Asian Nations (ASEAN) welcomes Modi's reaffirmation of India's Look East Policy and cooperation with the 10-member grouping. Vietnam, which has an acrimonious relationship with China due to their standoff over the South China Sea, said it is time to build a "stronger" ASEAN-India strategic partnership in the 21st century. Delivering the keynote address at the 3rd Roundtable on ASEAN-India Network of Think Tanks here, which he jointly inaugurated with Swaraj, Minh said the next 5-10 year period is crucial to the relations between India and the grouping "and even more with ASEAN becoming a full-fledged community and India a well-established power in the world."

He said that future development and integration of ASEAN and India "largely lie in East Sea (the South China Sea) and the Indian Ocean. So, our cooperation should focus more on maintaining maritime safety and security, freedom of navigation and settling territorial disputes through peaceful means on the basis of international law, including UNCLOS."

China has been objecting any activity in South China Sea region, a huge source of hydrocarbons, including Indian oil exploration as it has territorial disputes with some ASEAN countries, including Vietnam and the Philippines.

Source: [Zee News](#), 25<sup>th</sup> August 2014

### **20,000 people have risked lives crossing the Indian Ocean this year: UN report**

With 20,000 Southeast Asians embarking on dangerous sea crossings from the Bay of Bengal in the first half of this year, the scale of the region's refugee crisis has been laid bare by a new UN report. In its Irregular Maritime Movements report, the UN High Commissioner for Refugees has revealed that an estimated 87,000 people have embarked on dangerous journeys across Southeast Asian waters since July 2012 in order to escape the violence in Burma's Rakhine State. 53,000 are thought to have journeyed in the 12 months ending June 2014, an increase of 61 per cent.

Many of these asylum seekers are Rohingya, an Islamic ethnic group who were victim of riots in Burma that left over 100,000 displaced, and who are paying up to \$300 to board overcrowded vessels at the Bay of Bengal. Bangladeshis are also embarking on what the UN calls this "dangerous journey in search of safety and stability". Most are men, but there are growing number of women and children seeking asylum.

The report states that more than 200 have people died this year fleeing from the violence at the Bangladesh-Burma border. On these boats, holding up to 700 people at a time, passengers are reportedly suffering from malnutrition and are being abused. The UN refers to unconfirmed reports of passenger deaths due to illness, heat, lack of food and water, and severe beatings.

Source: [Independent](#), 25<sup>th</sup> August 2014

### **100 African Migrants Drown off Libyan Coast**

At least 100 African migrants trying to reach Europe have drowned off the coast near the capital, Tripoli, an official with Libya's coast guard said Monday. The migrants were found off the shores of al-Qarbouli, 50 km (30 miles) east of Tripoli, coast guard official Abdel-Latif Ibrahim said. Their boat, which carried over 250 migrants, capsized late Friday, he said. The Libyan coast guard had been looking for survivors and earlier rescued 16 people, he said five of the victims were children, he said. The migrants, mostly African nationals, were heading to Europe on a perilous journey that kills scores of people every year.

Libya has grown increasingly lawless since the 2011 overthrow of its dictator, Gadhafi, making it a migration hub for sub-Saharan Africans seeking a better life.

Source: [Japan Times](#), 26<sup>th</sup> August 2014.

### **Strategic alliance with India, Myanmar to Exploit Sea Resources Mooted**

The idea of forming a Bay of Bengal community among Bangladesh, India and Myanmar is getting momentum. C Raja Mohan, who is the head of strategic studies and distinguished fellow at the Observer Research Foundation in New Delhi, recently at a lecture in Dhaka had mooted the idea to form a trilateral group. On Tuesday at a roundtable on 'blue economy', the idea also came up from the private sector who believed Bangladesh should have a "strategic partnership alliance" with India and Myanmar to exploit sea resources. The suggestion came up as Bangladesh resolved the maritime dispute with the two neighbours "peacefully". Dhaka established its sovereign rights on more than 118,000 sq. kms of territorial sea, 200 nautical miles (NM) of exclusive economic zone and 354 NM continental shelves from the Chittagong coast through international courts.

It gave hope of extracting "plenty of resources" beneath the Bay of Bengal that Bangladesh considers its "third neighbour". The Board of Investment (BOI) has organised the roundtable inviting both government and private sectors to sensitise them about the prospect of investing in the Bay. Foreign Minister AH Mahmood Ali and Prime Minister's adviser on energy and power Tawfiq-e-Elahi Chowdhury were

present at the roundtable with BOI Executive Chairman SA Samad in the chair. Ferdaus Ara Begum, Chief Executive Officer of an NGO, BUILD, who works on capacity building first put forward the idea at the roundtable. It was endorsed by the Shipping Secretary Syed Monjurul Islam and former Principal Secretary Sheikh Md. Wahiduzzaman.

“We can form a partnership alliance with Myanmar and India. It would be better, if it’s done sooner,” Begum said while commenting on keynote paper. She also stressed on knowledge and capacity building for reaping the benefits of resolving maritime dispute. She also suggested making strategies for “proper planning and investment” in the sea. Wahid uzzaman said: “if we have cooperation (with India and Myanmar), then we can gain”. He also suggested “comprehensive partnership” with India and Myanmar. The foreign minister said Bangladesh has partnership with India and Myanmar under the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC). We are also working for BCIM (Bangladesh-China-India-Myanmar) collaboration,” he said.

Source: [Bdnews24](#), 26<sup>th</sup> August 2014

### **China, Vietnam Call Truce on Maritime Tensions**

China and Vietnam will avoid any actions that might worsen their disputes on maritime issues, Chinese and Vietnamese officials agreed in Beijing on. The special envoy's visit to China reflects the CPV's and the Vietnamese government's "political will to mend and develop bilateral relations," said Liu, a member of the Standing Committee of the Political Bureau of the CPC Central Committee.

In mid-May, a series of riots hit foreign companies in southern and central Vietnam, leaving five Chinese nationals dead, around 20 foreign factories burned down, and some 1,100 foreign companies affected. The violence came amid tension between China and Vietnam over the territorial disputes in the South China Sea. The visit is aimed at coming up with measures "to cool the situation," Le Hai Binh, spokesperson of Vietnam's Ministry of Foreign Affairs, said ahead of the special envoy's departure.

Under the three-point agreement reached on Wednesday, China and Vietnam will earnestly implement a basic guideline for the resolution of China-Vietnam maritime issues signed in October 2011, make best use of the bilateral governmental border negotiation mechanism, seek basic and lasting solutions acceptable to both sides, study and discuss how to seek joint exploration of the South China Sea, avoid actions that might complicate and expand the disputes and safeguard the overall stability of bilateral relations and peace in the South China Sea.

The CPC and the CPV will deepen their exchanges, restore collaboration in defence, trade and the economy, law enforcement and people-to-people exchanges, according to the agreement. Liu said the two countries should properly address maritime issues through cooperation, calling on them to stick to negotiation, control the maritime situation, seek common development and break new ground in overall China-Vietnam strategic cooperation. Le Hong Anh said it is the long-term strategy of the CPV and the Vietnamese government to cooperate strategically with China.

In light of the current complicated international situation, seeking cooperation and resolving differences are important for both countries, the envoy said, expressing his belief in the resumption of Vietnam-China cooperation. Chinese President Xi Jinping is due to meet the special envoy later on Wednesday.

Source: [English People daily](#), 27<sup>th</sup> August 2014

### **Invest to explore marine resources**

The private sector should come forward to invest in exploring marine resources in a bid to boost the country's gross domestic product, analysts. "New investment opportunities in ocean will create jobs and bring foreign currencies," said Khurshed Alam, secretary of the marine affairs unit at the foreign ministry .He was speaking at a roundtable on the state of the economy organised by the Board of Investment (BoI) at its office in the city. The Bay of Bengal has huge unexplored assets that will create big business opportunities, Alam said.

Settling a longstanding India-Bangladesh maritime boundary dispute, a Hague-based international court has recently awarded Bangladesh 19,467 square

kilometres out of 25,602 sq km disputed area in the Bay. "We can explore many marine resources such as methane gas, copper, magnesium, nickel and cobalt from the seabed. We need extensive research to explore the resources," he said in a keynote. The seas can be used to produce renewable electricity to meet the growing demand for power, Alam said.

Source: [The Daily Star](#), 28<sup>th</sup> August 2014

### **Somalia asks UN court to Determine Its Maritime Boundary With Kenya in Indian Ocean**

Somalia has asked the United Nations' highest court to determine the maritime boundary it shares in the Indian Ocean with east African neighbour Kenya. Somalia filed the case Thursday with the International Court of Justice, contending that both countries recognize its jurisdiction to settle the disputed border.

Somalia's application to the court says the two countries "disagree about the location of the maritime boundary in the area where their maritime entitlements overlap" and says diplomatic efforts have failed to broker an agreement. Rulings by the Hague-based court, the U.N.'s highest judicial organ, are final and binding.

Source: [USnews](#), 28<sup>th</sup> August 2014



### **Ports Are Gateways to India's Prosperity: PM**

Prime Minister Narendra Modi announced an ambitious 'Sagarmala' project for the maritime states which would become "gateways to India's prosperity". He said that the 'Sagarmala' would envisage not merely ports development, but port-led development including ports, special economic zones, rail, road, air and waterway connectivity with the hinterland, with linkages of cold storage and warehousing facilities. "The development of India's ports is directly linked to creation of job opportunities, boosting industrial development, increasing exports, and resulting in the overall improvement in the economy," Modi said. He was speaking at the foundation stone laying ceremonies of the ₹6,000-crore port-based multi-product SEZ and its major component, the Port Connectivity Highway Project, at the Jawaharlal Nehru Port Trust (JNPT). Pointing out that two-thirds of all global trade and 50 percent of container trade happens through the Indian Ocean, the prime minister emphasized the importance of ports.

SEZ's can provide huge employment to local youths, thus preventing migration, and coupled with such activities, the development of manufacturing, service and industrial sectors, and infrastructure can improve the life of the countrymen, he urged.

He expressed concern at the large number of stalled SEZs around the country and said that a high-level team will review the situation and resolve them at the earliest. Stressing the need to promote exports, Modi said that the government had recently convened meeting with states to identify bottlenecks in exports and they would be given permission to form their own export promotion councils.

Source: [Silicon India](#), 18<sup>th</sup> August 2014



### **The Revival of the Dry Bulk Shipping Industry**

The Baltic Dry Index (BDI) which tracks the movement of the average prices of shipping goods by sea – has seen a revival in the last month. The index had slumped 67.8% since the beginning of the year, recording a low of 723 points on 22 July. It has since made a comeback, however, having sharply risen to 1,040 points – up 38.3% since the start of August. Iron ore producers blamed unfavourable weather for the lower production in the initial months of the year, which caused a drop in the demand for shipping. The decreased demand compelled shipping companies to operate at lower capacity (running their ships half-empty at times), which resulted in lower revenue per voyage.

The revival of the Index is a testament to the strengthening global economy, with increasing prices the result of greater demand for shipping in the last month. Analysts believe that the shipping price increase is largely driven by iron ore shipments. The three companies that dominate the global production of iron ore – Rio Tinto plc (RIO), BHP Billiton Limited (BHP) and Vale SA (VALE) – announced an increase in iron ore production in their second-quarter operational reviews.

Source: [Hellenic Shipping New](#), 22<sup>nd</sup> August 2014

### **Marine Insurers Wary of Arctic Shipping Routes**

The routes offer alternatives to the Panama and Suez canals, but they are not without risk. Extreme climate and weather conditions create unique hazards, including floating ice, thick fog, and violent storms. Despite new safety features, vessels remain vulnerable to ice damage, machinery breakdown, and more. The harsh environment also creates challenges for crews, few of which have been trained for or have experience in such conditions, according to insurance broker and risk adviser Marsh.

The international shipping industry is keen to start maximizing the opportunities afforded by Arctic navigation. Yet the marine insurance industry — essential to the commercial viability of Arctic transit — holds a host of safety and navigational

concerns, which may limit and/or prohibit the possibility of rapid growth in Arctic transit for the foreseeable future.

The rapid development of fledgling Arctic shipping routes is dependent upon improvements in the capabilities of vessels navigating them and the upgrade and expansion of the support facilities in the region.

Source: [World Maritime News](#), 25<sup>th</sup> August 2014

### **Shipping cost of Indian Exports Twice as high vs China: Study**

Shipping costs incurred by Indian exporters is twice as high compared to those of China and thrice of Singapore, putting the country at a disadvantage in global trade, a study has found. The study by industry body Assocham observed that the high cost of logistics could hit India's competitiveness. "Shipping a container from India costs close to USD 1,200 while from China, it is in the range of USD 600 and Singapore about USD 400," the Assocham study said, citing World Bank data.

Likewise, the turnaround time at India's best port, JNPT in Mumbai that handles over 50 per cent of the country's containers, is 1.1 days (36 hours) while it is less than 12 hours in Singapore, Dubai, Shanghai and Colombo.

Source: [Business-Standard](#), 26<sup>th</sup> August 2014

### **Shipping Ministry sets up monitoring unit for Rs 4,200 crore Ganga project**

The Shipping Ministry has set up a monitoring unit for its ambitious Rs 4,200 crore Allahabad- Haldia JalMarg Vikas project on Ganga .The development follows Prime Minister Narendra Modi recent review of important infrastructure projects. "Process of establishment of PMU (project monitoring unit) has been completed," Shipping Ministry said.

The project includes developing the National Waterways-1 between Allahabad-Varanasi-Buxar-Patna-Haldia. "The project will be completed over a period of six

years at an estimated cost of Rs 4,200 crore. The implementation of JalMarg Vikas by 2020 would enable movement of large cruise vessels through the year up to Allahabad," it said.

Source: [Daily Shipping Times](#), 28th August 2014

### **India to launch shipping service to Myanmar, Bangladesh to boost ties**

India will soon launch regular shipping service to Myanmar and Bangladesh, a move that would help strengthen ties with the two immediate neighbours. With the commencement of India-Myanmar direct shipping service the transit time for Indian exports to Myanmar and Indian imports from the eastern neighbour would reduce considerably. Sources said the SCI would get some subsidy for the first six months.

At present, there are no liner services between India and Myanmar. So, ships ply between the two countries only when there is full cargo. India and Myanmar have agreed to enhance their trade to \$3 billion by 2015.

Launching of the regular coastal shipping service will not only reduce burden on road network but will also increase trade between the two countries. As of now, there is only riverine protocol between the two countries for movement of small vessels on rivers flowing in both the countries.

Source: [TOI](#), 29<sup>TH</sup> August 2014

### **Container Shipping In for a Treat**

According to BIMCO's shipping market analyst, the Conference Board Consumer Confidence Index (CCI) continued to improve in August for the fourth consecutive month "as improving business conditions and robust job growth helped boost consumers' spirits."

Chief Shipping Analyst at BIMCO, Peter Sand, said: "For an economy mainly driven by consumer spending this is good news for shipping – in particular we expect this to positively affect demand for trans-pacific container shipping – but also to increase US East Coast container imports.

“As containerized goods are predominantly consumer products, the improvement in the housing market also contributes to boosting confidence and shipping demand.”

Sand added that BIMCO’s US West Coast import data show a 4.0% increase for loaded containers during the first seven months of 2014 over the same period last year. “US East Coast improved comparably by 8.8% during the first six months,” Sand went on to say.

Source: [World Maritime News](#), 29<sup>th</sup> August 2014



### **Lithuanian Maritime Safety Administration contributes to more effective studies on sea incidents**

The National Vessel Traffic Monitoring Information System (NVTMIS) was implemented by Lithuanian Maritime Safety Administration, Lithuanian Minister of Transport and Communications says in its press release. The system will help to strengthen the protection of the maritime environment by preventing the occurrence of the situations posing a possible threat to the safety of people at sea.

"Crucially important maritime safety project, completed few days ago, represents one more step towards high standards. The new system will help to monitor more effectively the Lithuanian part of the Baltic Sea as well as will lead to a closer cooperation with the EU, Norway and Iceland's maritime administrations," says Tomas Karpavičius, the Chancellor of the Ministry of Transport and Communications of the Republic of Lithuania.

In addition, NVTMIS will be useful for ship agents, search and rescue centers, coast guards, environmental protection centers. Due to this information system, the maritime traffic safety will improve. Additionally, it will allow to the responsible agencies to respond to maritime incidents, accidents or potentially dangerous maritime situations, search and rescue operations promptly. It will help to increase the maritime pollution prevention and reduce its impact on the environment.

Source: [Port News](#), 15<sup>th</sup> August 2014

### **Mounting concern about underwater noise pollution harming marine wildlife**

Whales, squid, fish, crabs and shellfish are all suffering from the rising din being made by propellers, engines and subsea drilling, prompting demands for quieter ships and the introduction of "quiet areas" in the seas. Hundreds of marine biologists from across the world gathered in Glasgow this weekend for the International Marine Conservation Congress, organised by the Society for Conservation Biology. They

heard mounting evidence of the widespread damage to animals being caused by underwater noise.

Over the last half-century, low-frequency noise in the oceans has increased by at least 20 decibels. Most of the noise comes from ships, which are carrying three times the weight of cargo they did in 1970, amounting to more than 80% of all the world's freight transport .A series of expert studies from three continents has shown a large variety of ways in which noise can harm wildlife. Squid and octopus were found to suffer massive acoustic trauma destroying cells vital for balance and orientation.

Scallop larvae were delayed in development and deformed by noise, the internal organs and ovaries of snow crabs were bruised, and eels showed signs of stress. In another study, noise killed the eggs and young of sea hares. The studies were showing worrying trends, according to Sarika Cullis-Suzuki, one of the conference organisers researching fish and noise in the north-west Pacific. "The oceans already face a multitude of threats," she said. "By adding yet another stressor like human-generated noise, the consequences could be severe."

The evidence that noise disturbs many types of marine life was accumulating, Cullis-Suzuki added. It was also a problem that could be addressed "relatively easily" by building quieter engines, she argued.

Source: [Herald Scotland](#), 17<sup>th</sup> August 2014

### **Japan volcanic isle may collapse, create tsunami: study**

Tokyo (AFP) - An erupting volcanic island that is expanding off Japan could trigger a tsunami if its freshly-formed lava slopes collapse into the sea, scientists said. The small, but growing, island appeared last year and quickly engulfed the already-existing island of Nishinoshima, around 1,000 kilometres (620 miles) south of Tokyo. It now covers 1.26 square kilometres (0.5 square miles).The island's craters are currently spewing out 200,000 cubic metres (7 million cubic feet) of lava every day --

enough to fill 80 Olympic swimming pools -- which is accumulating in its east, scientists said.

"If lava continues to mount on the eastern area, part of the island's slopes could collapse and cause a tsunami," warned Fukashi Maeno, assistant professor of the Earthquake Research Institute at the University of Tokyo .He said a rock fall of 12 million cubic metres of lava would generate a one metre (three feet) tsunami that could travel faster than a bullet train, hitting the island of Chichijima -- 130 kilometres away -- in around 18 minutes, he said.

Chichijima, home to some 2,000 people, is the largest island in the Ogasawara archipelago, a wild and remote chain that is administratively part of Tokyo ."The ideal way to monitor and avoid a natural disaster is to set up a new tsunami and earthquake detection system near the island, but it's impossible for anyone to land on the island in the current situation," Maeno added.

Source: [News.Yahoo](#), 19<sup>th</sup> August 2014

### **Warming aids Arctic economies but far short of "cold rush"**

Climate change is aiding shipping, fisheries and tourism in the Arctic but the economic gains fall short of a "cold rush" for an icy region where temperatures are rising twice as fast as the world average .A first cruise ship will travel the icy Northwest Passage north of Canada in 2016, Iceland has unilaterally set itself mackerel quotas as stocks shift north and Greenland is experimenting with crops such as tomatoes.

Yet businesses, including oil and gas companies or mining firms looking north, face risks including that permafrost will thaw and ruin ice roads, buildings and pipelines. A melt could also cause huge damage by unlocking frozen greenhouse gases.

"There are those who think that growing strawberries in Greenland and drilling for oil in the Arctic are the new economic frontiers," said Achim Steiner, head of the U.N. Environment Programme. "I would caution against the hypothetical bonanza that some people see," he told Reuters of Arctic regions in Russia, Nordic nations,

Alaska and Canada. U.N. studies say global warming will be harmful overall with heatwaves, floods and rising seas.

### *Fewer Fur Coats*

In 2002, however, Russian President Vladimir Putin mused that warming might benefit Russia - thereby easing pressure to curb greenhouse gas emissions. He joked that warmer temperatures could mean fewer fur coats in northern regions.

More than a decade later, researchers see the Arctic as a test case for the impacts of climate change. It is warming fast because a thaw of white ice and snow exposes darker ground and water below that soak up more of the sun's heat. "So far, I believe the benefits (of Arctic warming) outweigh the potential problems," said Oleg Anisimov, a Russian scientist who co-authored a chapter about the impacts of climate change in polar regions for a U.N. report on global warming this year.

Others say it is hard to discern benefits. Factors such as improved drilling technology or relatively high oil prices around \$100 a barrel may be bigger drivers for change than a thaw in a chill, remote region shrouded in winter darkness. Off Alaska, for instance, oil company bids for leases in the Arctic Chukchi and Beaufort seas since 2005 have totalled about \$2.7 billion. But a previous round in the 1980s - before global warming was an issue - attracted similar sums, according to data from the U.S. Bureau of Ocean Energy Management.

"There are subjective interpretations of development costs and benefits (tourism, fishing, oil and gas, shipping) but it will be some years before there are enough trends and data," said Fran Ulmer, President Barack Obama's chair of the U.S. Arctic Research Commission. Indigenous peoples doubt there are benefits. Aqqaluk Lynge, a Greenlander and ex-head of the Inuit Circumpolar Council, said vital dogsleds were useless in some areas because of the thaw. "People think the economy is Wall Street but it's the local economy that's feeling the pressure," he said.

Among new activities, 71 cargo ships used a short-cut shipping route between the Pacific and Atlantic oceans north of Russia in 2013. Roughly the same number is likely in 2014, said Sergei Balmasov of the Northern Sea Route Information Office.



In a sign of more tourism, Crystal Cruises will send its Crystal Serenity ship from Anchorage to New York in 2016 past icebergs and polar bears north of Canada - priced from \$19,755 per passenger and with an escort vessel as an ice-breaker.

### *Cruises, Cargo*

The route was first navigated in 1903-1906 by Norwegian explorer Roald Amundsen, but has only been ice-free in some recent years. Paul Garcia, spokesman for Crystal Cruises, said there had been a high volume of bookings so far. Tourism has benefited in some areas. The number of nights spent by visitors to the Arctic archipelago of Svalbard north of Norway rose to 107,000 in 2013 from 24,000 in 1993. And cod, haddock, herring and blue whiting are among fish stocks expanding north. Iceland has set new, unilateral quotas for mackerel, including almost 150,000 tonnes in 2014.

"The biomass sum of all types of species is increasing, and will continue to increase in the Arctic," said Svein Sundby, of the Institute of Marine Research in Norway. Among oil companies, Exxon Mobil began drilling in Russia's Arctic on Aug. 9 despite Western sanctions on its Russian partner Rosneft over Ukraine crisis. But Royal Dutch Shell dropped plans for drilling in 2014 after spending \$5 billion on exploration since 2005, following protests and accidents off Alaska. And despite any gains, a 2013 study in the journal Nature said the Arctic has a hidden economic time bomb.

A major release of methane trapped in the frozen seabed off Russia could accelerate global warming and cause \$60 trillion in damage, almost the size of world GDP, it said. Costs would be from more heatwaves, floods, droughts and rising sea levels.

"The size (of drawbacks) is likely to dwarf any kind of benefits," said Chris Hope of the Judge Business School at Cambridge University, who was among the authors.

The U.N.'s panel of climate experts says that it is at least 95 percent probable that human activities are the main driver of warming since 1950. But many voters are doubtful, suspecting that natural variations are to blame

Source: [Reuters](#), 29<sup>th</sup> August 2014