



MAKING WAVES

The Fortnightly e-News Brief of the National Maritime Foundation

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A Matter of Honour

-- Syed Ata Hasnain

Some years ago I was commanding a Division in Kashmir. One morning I received a call from a senior staff officer at the Command HQ at Udhampur that the Army Commander was upset at the string of non-battle casualties in my formation; two suicides, a vehicle accident, a weapon lost in a training exercise, two jawans dead because of avalanches etc. I stated to the officer that none of these incidents were under my direct control; that while I was morally responsible physical responsibility did not rest with me. I was, however, willing to be removed from command if it pleased my superiors and sent an appropriate message to the command chain. I never heard of the issue again. However, in the wake of Admiral DK Joshi's resignation as the Naval Chief all this came rushing back into the mental hard disc. The issue is one of physical versus moral responsibility.

Let me start by stating unequivocally that Admiral Joshi is one of India's finest scholar sailors, a gentleman to the hilt, a man of great virtue and someone who carries the stamp of being a professional to the core. Therefore my heart bleeds to see such a man go. No doubt he has raised the level of honor by many notches for all three Services by his act of resignation taking full moral responsibility for the string of accidents which have occurred in the Navy in the last few months, the one with the INS Sindhuratna being the latest. The morning blogs and papers are full of the necessity of some others also taking the rap for the failures, primarily the bureaucracy and the political level too. It actually boils down to the difference between the moral and physical responsibility, the issue I raised at the beginning of this piece. Who is responsible for what?

Obviously there is nothing black and white about this. Are the numerous crashes of Migs the responsibility of the Air Chief, the AOCs, the Air Force Station Commanders or the Squadron Commanders; not easy to peg. Whose responsibility is the series of negative incidents on the LoC? The failure to provide sufficient intelligence to prevent a chain of terrorist related incidents; whose responsibility was this? In the existence of an amorphous administrative structure can the Military alone bear the responsibility for their failure is the moot point. No doubt that late Prime Minister Lal Bahadur Shastri set the highest standards of honor when he resigned as Railway Minister after a serious rail accident involving many lives. However, it does not always pay to repeat such acts for the sake of honour.

Senior military leaders bear enormous responsibility and failures are a part of leadership. It is a question of the quality of failure. It is unlikely that the Navy's failures are anything more than just incidental, technical flaws with equipment and sometimes with training. Which Service Chief can ever certify that his force is hundred percent trained and can overcome every technical flaw with equipment and sometimes with training.

Which Service Chief can ever certify that his force is hundred percent trained and can overcome every technical flaw. Failure is a part of the leadership cycle and acceptance of it a part of National maturity; no one is condoning mistakes of intent or refusal to learn lessons from mistakes. Failures occur at every level and in the case of the Military do involve loss of lives. For every such failure or string of failures if leaders have to resign to take moral responsibility we will soon see a situation of administrative and leadership paralysis.

In the Army, I usually point responsibility for failure to two things – sheer incompetence or sheer bad luck. Bad luck has its run and is finite but incompetence is obviously not. If a string of failures is more in the realm of luck than incompetence there is never a reason for resignations; all that is required is adequate stock taking, serious analysis and drawing up of a path towards prevention and thereby success. Admiral Joshi's case appears to be just that. That all three Services suffer for the lack of appropriate decision making at the bureaucratic and political level with equipment procurement and induction is a separate story unto itself.

There cannot be a better man than Admiral Joshi to set right the perceived ills in his Service. That said, it is unfortunate that there is so much excitement about change in the chain of succession, as if that is the more important issue than the immediate task at hand; of regaining confidence.

I think the rank and file of the Indian Navy will agree with my assessment that Admiral Joshi may have done the right thing by taking moral responsibility for the incidents and apparent systemic failure but his departure from the scene is not going to set right things as fast as his presence will. These are difficult times for India and the least we can afford is to see a competent, clean, strong and effective military leader depart earlier than his time. Yet, Admiral Joshi, you have set a standard so high that you have left a moral problem for all your successors and for India's security managers at large.

(Lt Gen Syed Ata Hasnain retired as Military Secretary and earlier led the Chinari Corps. Views expressed are personal)

Source: [The Citizen Wed](#), 26 February 2014

A Navy All at Sea

--C. Uday Bhaskar

The unprecedented resignation of Admiral D.K. Joshi from the high office of chief of naval staff (CNS) on Wednesday, in the wake of the unfortunate accident on the Kilo-class submarine INS Sindhuratna earlier in the day, may seem impulsive. But it is in keeping with the finest traditions of the military.

The unwritten tenet of the profession of arms is that success is attributed to the subordinates in the chain of command. The blame for failures and lapses rests with the top leadership — and as the “old man”, Joshi took it on the chin and burnished this principle, which alas has been ignored in India for many decades.

Leadership applies across the civil-military spectrum. Not since former prime minister Lal Bahadur Shastri resigned as the Union railway minister in 1956 (following an accident in Ariyalur, Tamil Nadu, in which 144 people were killed), has there been a display of such conviction and the resolute acceptance of moral and institutional responsibility.

The resignation of Joshi is as unprecedented as the swift manner in which it was accepted by the government, and this aspect merits attention. The Indian navy has been under adverse scrutiny since the enormity of the loss of another Kilo-class submarine, the INS Sindhurakshak, which suffered an explosion on board in August 2013 that gutted the boat and led to the loss of 18 lives. In the interim — from Sindhughosh to the Sindhuratna mishap — there have been as many as nine incidents of operational lapses and minor accidents involving naval ships and submarines that have come under intense media focus. The perception is that the navy, the traditional silent service, has been making news for the wrong reasons.

Unfortunately, this perception — that there was something terribly wrong with the institution — was allowed to fester and, in many ways, Sindhuratna is the straw that broke the camel’s back. The loss of life in any context is agonising and while the military profession accepts this exigency as being in the call of duty, every commander assumes the safety of the lives of those under his command as sacrosanct. Consequently, the penalties and repercussions for such occurrences are strict. The fact that two young officers lost their lives in the Sindhuratna incident may have weighed heavily on Joshi. In his resignation, the former CNS has set the same, if not higher, standard of rectitude that he had applied to his commanding officers.

But the larger question that lingers is: does the buck stop at the office of the naval chief? Each of the accidents/ incidents is of different magnitude and contour. Many would be deemed to be of an order not unprecedented — as, for instance, a ship touching the jetty while coming alongside, or for that matter a sonar dome being scraped during an exercise. Some incidents, such as a submarine having to “bottom” and settle down due to tide conditions, can be ascribed to the fact that the Mumbai harbour was not appropriately dredged, and this in turn was due to financial approval being withheld and imprudent penny-pinching by the mandarins of the national exchequer.

The tragic explosion on the Sindhurakshak was an unprecedented accident, and the exact cause for it is yet to be established. But the navy has accepted responsibility in the aftermath, and remedial measures have been put in place. It is unfortunate that another submarine met with an accident on Wednesday, and such a pattern is disturbing. Specific to the Indian navy’s submarine arm, it merits notice that the fleet is ageing and the Kilo-class boats were inducted from the former Soviet Union in the mid-1980s. Most of the class is more than two decades old and the last diesel submarine was commissioned in 2000.

Consequently, old platforms are being exploited beyond their normal life cycle after repeated refits and repairs. This takes a toll on the material state of the hull and the equipment on board. For reasons more relevant to the texture and inadequacy of India’s higher defence management, regular induction of new platforms for the navy and the other two services has been woefully inadequate.

Whether it is the artillery gun for the army or the fighter aircraft for the air force, to identify but two examples, the higher defence management of the country — which is the purview of the politico-bureaucratic lattice and the legislature — has remained indifferent to the substantive issues that plague national security. The military sets for itself standards of probity and professional conduct that are higher than those for any other institution. However, the military in any democracy needs an empathetic and enabling socio-political environment and this, regrettably, has been lacking in the Indian context. The civil-military dissonance is growing, and whether it is tardy planning or prudent fiscal outlays to nurture the military, the last 10 years have been feckless and arid. Related to this is the growing bitterness among the veterans community, and the ignominy of the state petitioning the courts against the grievances of the retired “fauji” is illustrative.

Admiral Joshi’s resignation is tinged with sadness, but it could also be an opportunity to introspect over the deeper context of India’s higher defence management and the many inadequacies that await objective attention and policy correctives. The next government would be well-advised to give this matter the highest priority.

(The writer is a former director of the Institute for Defence Studies and Analyses and the National Maritime Foundation)

Source: [The Indian Express](#), 28 February 2014

Looming Military Breakdown

In a nation where instances of admission of individual responsibility are depressingly rare, Chief of the Naval Staff Admiral D.K. Joshi's resignation following the tragic accident on INS Sindhuratna is welcome evidence that some officials, at least, still hold themselves to the highest standards. Behind his resignation, though, lies a terrifying story: India's military is, literally, on the verge of breakdown. In recent years, each military chief has told Defence Minister A.K. Antony of the growing danger that India might prove unable to fight future wars.

Even as the Army has been instructed to be prepared to fight a war on two fronts, acquisitions of desperately needed armour and artillery systems have been endlessly delayed. The Air Force is warning that its combat fleet will start shrinking from 2017; squadrons are rationing flying time to prolong the life of aircraft for as long as possible. The Navy is well below strength, and its increasingly obsolescent platforms are dangerous.

Last year's explosion on board INS Sindhurakshak, one of 10 significant accidents involving the Navy in the last seven months, caused more damage than the Navy ever suffered at war. Perhaps most dangerous, all three services face large-scale deficits of officers, because the armed forces' pay scales and service conditions are too poor to attract the skilled young people modern militaries need. There are more than a few in the armed forces who are asking whether the civilian leadership is not just as responsible for the deaths on board the Sindhuratna as Admiral Joshi, whose resignation the Union government was so quick to accept.

Though Mr. Antony's years in office have seen him maintain his stellar reputation for personal probity — which is no mean achievement in itself — he has done little to address the looming crisis in Indian defence. Equipment purchases have stalled at the whiff of scandal, often forcing the forces to restart the acquisition process, that can last years. In fairness to Mr. Antony, the problem is not all of his making. The depreciation of the rupee against the dollar, and India's slowing growth, have stripped him of resources badly needed for modernisation.

Yet, there is no glossing over the fact that too little has been done on defence reform and capacity-building. India can only hope it is not too late. The last Indian military chief to hand in his resignation was General K.S. Thimayya, who did so in 1959 to protest Defence Minister V.K. Krishna Menon's refusal to consider his plans to prepare the Army for a war with China. Prime Minister Nehru persuaded the legendary General to take back his resignation, but chose not to persuade his Defence Minister to take the threat of war seriously. The consequences still haunt India.

Source: [The Hindu](#), 28 February 14

Editor's Note: The factual position is that the last chief of an armed force of India to resign was Admiral Arun Prakash as CNS in August 2005. The government on its part did not accept the resignation

An Emergent US Security Strategy in Southeast Asia

-- Dr. Marvin C. Ott and Kenneth M. Ngo


The foundation of US security strategy in Southeast Asia since the end of World War II has been a "hub and spoke" system of formal bilateral alliances with four countries in the region: Thailand, the Philippines, Australia and, for a period, New Zealand. During the Cold War these alliances became the primary vehicle for US and allied governments to prosecute counterinsurgency campaigns against communist guerrilla forces. Both Manila and Bangkok allowed the Pentagon to establish major facilities that were critical to America's largest counterinsurgency campaign in Indochina.

The end of the Vietnam War in 1975 signaled a sharp diminution of the US military presence in Southeast Asia and the end of the Cold War in 1991 removed the overarching strategic threat. Not surprisingly, the value assigned to the alliances both in Washington and in the region declined – most tangibly expressed in Manila's readiness to allow the US lease at Subic Bay to expire. Meanwhile, Thailand turned to China for support in dealing with its ongoing communist insurgency and the Vietnamese army's occupation of neighboring Cambodia.

For Southeast Asia more generally, the 1990s were a heady time of rapid economic growth and societal modernization – powerfully reinforced by the dramatic growth in China's economy. Post-Mao China emerged as an ideal neighbor committed to a "peaceful rise" and a growing economic partnership with its southern neighbors. Under these conditions it is remarkable that the entire US alliance system did not just dissolve. It continued due, in part, to simple inertia, the efforts of Singapore to provide facilities for Pacific Command (PACOM), shared concerns over terrorism after 9/11, and the unique value of PACOM's capabilities in disaster mitigation demonstrated in response to the epic 2004 tsunami. Nevertheless, the Southeast Asia alliance system as a whole remained at a low ebb in terms of public visibility and strategic priority.

All this began to change three to four years ago – and has continued to do so at an accelerating pace. The driver of this change has been China – specifically the perception that Beijing's investment in military capabilities, particularly maritime and air, is excessive and disquieting. Moreover, China's overt moves to seize control over land features and maritime space in the South China Sea are alarming. As the only country with the military capability to potentially deter and frustrate China's apparent territorial ambitions, the United States has found itself facing a profound strategic choice. Starkly put, should the United States signal that it will acquiesce to a de facto Chinese sphere of influence and security monopoly over the South China Sea and much of Southeast Asia or instead contest China's geopolitical ambitions? During the George W. Bush administration's preoccupation with the wars in Iraq and Afghanistan, strategic choices in East Asia were deferred.

President Barack Obama entered office determined to wind down these two military operations, making room for a refocus of US diplomatic, economic and military assets elsewhere, particularly in Southeast Asia. At a meeting of the ASEAN Regional Forum in July 2010, US Secretary of State Clinton effectively committed the United States to a policy of contesting China's territorial ambitions in the South China Sea – and by implication, China's broader hegemonic posture toward Southeast Asia.



This strategy resonated with modern US history where US involvement in World War I and II, as well as the Cold War, had the fundamental strategic purpose of preventing Europe and Asia from coming under the domination of a rival and hostile hegemon. Specific US national interests in Southeast Asia (and East Asia more generally) include the preservation of major sea lanes of communication through the South China Sea as a global commons and the credibility of still binding US alliance commitments in the region.

If "containment" was the overarching descriptor of America's Cold War strategy, "pivot" and "rebalance" serve that function for Southeast Asia today. No one close to this effort, in the White House, the Pentagon, or the State Department, has any illusions about the magnitude of the challenge. China is a multidimensional great power on a rapid ascent toward superpower capabilities. The nationalism fueling China's regional ambitions runs very deep and the geographical distances involved in deploying US military power to the region are not insignificant. Moreover, China's economic and demographic connections to Southeast are organic and profound.

That said; the "pivot" has several things going for it. First, fear and suspicion are natural attributes of small states dealing with a much larger, more powerful neighbor. Since the Peloponnesian Wars, states in such circumstances have looked to powerful friends from outside the immediate area for support. The United States seeks nothing more than a region that is stable, prosperous, autonomous, and accessible – objectives that coincide perfectly with the national interests of Southeast Asian states. China's territorial and hegemonic ambitions, however, are profoundly antithetical to these interests. This is most obviously true of the South China Sea claimant states--Vietnam, the Philippines, Malaysia and Brunei – but distinct signs of unease with China's assertiveness have been evident in such non-claimant capitals as Jakarta and Naypyidaw.

Second, the growing salience of multilateral arrangements centered on ASEAN has been a key feature of the region. ASEAN connectivity is valued as an engine of economic growth and a means of strengthening the region against external pressure and coercion. For the United States, multilateral security arrangements epitomized by the ASEAN Regional Forum (ARF) are a natural strategic supplement to the alliance system. China, however, has insisted that security issues, including maritime disputes, be handled bilaterally. From a Chinese strategist's perspective, a binary face-off between China and the United States in the South China Sea is far more promising than one that also involves several other regional actors. The more numerous the players and the more complex and dense the interactions the less China will be able to control outcomes.

It is far too early to provide a scorecard on the pivot. President Obama and other senior officials have signaled ongoing US commitment through frequent travel to Southeast Asia. The first steps of a redeployment of the US military to the region has been implemented and a tailored military strategy – air-sea battle – is being actively developed. Other strategic partnerships with Southeast Asian counterparts are becoming more robust.

Game theory predicts that in a competitive arena with multiple actors, coalitions will form. In Southeast Asia, we are seeing the emergence of an incipient coalition in support of US security strategy. The ultimate outcome of all of this is quite unclear. What is clear is that this will be the defining strategic contest of the first half of this century.

(The Writer, Dr. Marvin C. Ott is Senior Scholar at the Woodrow Wilson International Center for Scholars and Mr. Kenneth M. Ngo is Research Assistant at the Woodrow Wilson International Center for Scholars)

Source: Rappler.com, 18 February 2014

Greece Remains at Top of Shipping Economy

-- John Nikolaou

Despite the economic downturn, Greek shipowners have proved once again to be the leaders of the global shipping industry. It is worth noting that they control 16% of the global fleet in terms of dwt and own 23.5% and 18.5% of total tanker and bulker tonnage, respectively.

During 2013 they invested nearly \$13 billion for 275 newbuildings, estimated at 25% of the global orderbook. More specifically, they invested \$4.5 billion on 134 bulkers, \$4 billion for 51 LPG and LNG carriers, \$3 billion on 65 tankers and \$1.6 billion on 25 container ships.

These orders, which varied from traditional to modern tonnage segments, strengthened the relationship between Greece and Asia. Chinese banks, in particular, support these investments as they hold a loan portfolio of \$1.5 billion, while 60% of Chinese oil imports are carried by Greek ships. In the last seven years Greek shipowners have invested more than \$17 billion in Chinese shipyards.

Additionally, Greek shipping companies excel in the capital markets in terms of raising funds to support further ship purchases. During the last week alone, three companies have managed to raise nearly \$200 million.

Meanwhile, the Greek government has tripled the capacity tax on all vessels. The President of the Union of Greek Shipowners, Theodoros Veniamis, described the three-year tax that applies to all ships belonging to companies based in Greece, regardless of their flag, as a violation of the union's previous initiative for the optional doubling of the capacity tax. He also expressed his belief that the Greek government will find other, more efficient ways to attract revenues, such as the introduction of more new vessels to the Greek flag.

(The writer, John Nikolaou is based in Athens. He is a Financial Analyst with Coca Cola HBC and blogs about the maritime industry)

Source: Maritime Executive.com, 19 February 2014

India's Maritime Gateway to the Pacific

-- Rajeev Ranjan Chaturvedy

Being one of the most important seas of the world, geopolitically, economically and strategically, the South China Sea (SCS) attracts considerable attention in the strategic community in India. It continues to be seen as one of the most difficult regional conflicts in the Asia-Pacific and an "arena of escalating contention." India has vital maritime interests in the SCS. Around 55 per cent of India's trade in the Asia-Pacific transits through the SCS region. In fact, in recent times, New Delhi has become more active in expressing its interest in the freedom of navigation in the SCS and the peaceful resolution of territorial disputes between Beijing and its maritime neighbours.

Strategic importance

The SCS is an important junction for navigation between the Pacific and Indian Oceans. It connects with the Indian Ocean through the Malacca Strait to the southwest, and commands access to the East China Sea to the northeast. The sea lane running between the Paracel and Spratly Islands is used by oil tankers moving from the Persian Gulf to Japan as well as by warships en route from the Indian Ocean to the Pacific. Security in the SCS is a concern both for regional countries such as China, Vietnam, Philippines, Malaysia, as well as the extra-regional countries, including India, due to their strategic and economic interests in this region. Any conflict in the SCS will pose a threat to regional and international security.

Territorial sovereignty, contention on energy, significance of the geographic location, threat to maritime security and overlapping maritime claims are at the core of the SCS dispute. Some scholars suggest that for the next 20 years, the SCS conflict will probably remain the "worst-case" threat to peace and security in the ASEAN region.

The SCS, an integrated ecosystem, is one of the richest seas in the world in terms of marine flora and fauna, coral reefs, mangroves, seagrass beds, fish and plants. The sea accounts for approximately 10 per cent of the annual global fisheries catchment, making it extremely viable for the fishing industries of nearby countries. Furthermore, value-added production (canning, filleting, fresh, frozen and chilled processing) has translated into valuable foreign exchange earnings and job opportunities for countries in the region. However, China has been imposing fishing rules to operate in the disputed waters, resulting in serious maritime security concerns and objections from other claimant states. Recently, China's new fishing rules which came into effect on January 1, 2014 raised questions about its efforts to exercise jurisdiction over all fishing activities in the disputed waters.

Furthermore, the region richly laden in both oil and natural gas has led to speculation that the disputed territories could hold potentially significant energy resources. According to the U.S. Energy Information Administration (EIA) estimates, the SCS contains 11 billion barrels of oil and 190 trillion cubic feet of natural gas in proved and probable reserves. EIA has difficulties in making accurate estimates of oil and natural gas in the area because of the lack of exploration and territorial disputes. Hence, reserve estimates in the area vary greatly.

According to the Chinese Ministry of Land and Resources, the SCS oil reserves are estimated to be around 23 to 30 billion tonnes and 16 trillion cubic metres of natural gas. There may also be additional hydrocarbon reserves in underexplored areas of the sea. Most notably, the SCS occupies a significant geostrategic position in terms of international shipping as a majority of energy shipments and raw materials have to pass through it.

Undoubtedly, the SCS is a critical corridor between the Pacific and Indian Ocean for commercial and naval shipping. In view of the emerging challenges in the region, India is strengthening its engagement with the ASEAN region steadily. New Delhi recognises the strategic importance of Southeast Asia and the Indian Ocean for defence of the Indian peninsula. India's prosperity is dependent, almost exclusively, on sea trade. Land routes from the Indian subcontinent are few and provide little facility for commerce. Safeguarding the sea lanes is therefore indispensable for India's development as its future is dependent on the freedom of the vast water surface. A secure and safe sea lane is important for India's industrial development, commercial growth and a stable political structure.

There are compelling reasons for India to protect the sea lanes in the SCS. First, it considers an unimpeded right of passage essential for peace and prosperity in the Asia-Pacific region. Second, India favours peaceful resolution of the dispute, in accordance with international law, including the United Nations Convention on the Law of the Sea, as opposed to the use of threat in resolving competing claims. Access to resources such as oil, natural gas, food and minerals is now high on the agenda of global issues to be faced in the years ahead. India's increasing involvement in the SCS region illustrates the relationship between its strategy and the need for resources, and for the routes and logistical systems necessary for their transportation.

Roadblocks

There are some apprehensions in New Delhi about Beijing's ambitions in the SCS. Chinese assertiveness and her tendency to unilaterally seek to change the status quo has the potential to impinge upon India's commercial and strategic interests in the SCS. Though military conflict over freedom of navigation and access to maritime resources is neither necessary nor inevitable, it is natural for India to address China's "threat perception" and to promote its national interest.

India has a legitimate interest in safeguarding the sea lanes and access to maritime resources. With a considerable expansion of India's engagement with the SCS' littoral states, India appears to be emerging, genuinely so, as an indispensable element in the strategic discourse of this region. India could be a valuable security partner for several nations in the Asia-Pacific region, provided it sustains a high economic growth rate and nurtures the framework of partnership that it has enunciated in the region.

(Rajeev Ranjan Chaturvedy is a research associate at the Institute of South Asian Studies, Singapore.)

Source: [The Hindu](#), 22 February 2014

China's Fear Strategy

--Christopher R. Hill

Not long ago, China was a soft-power juggernaut. Media accounts highlighted Chinese leaders' thoughtful forays abroad, depicting policymakers that were respectful of others' opinions, willing to listen, humble to a fault, and reluctant to dispense unsolicited advice. Here was a country that was content to allow its own example of success to speak for itself.

Today, China, like many large countries, is allowing its internal political battles to shape how it interacts with the world, especially with neighbors whose sensitivities it seems entirely willing to ignore. (Indeed, with alarm bells sounding throughout the region, the United States' "pivot to Asia," widely derided for its clumsy rollout and unintended consequences, now seems wise and prudent.)


A country's historical experience exerts a powerful force on its contemporary behavior, and China is no exception. Since the 1648 Peace of Westphalia, European states, with some notable exceptions, have understood the basic rules of the diplomatic game; moreover, they have had considerable success exporting Westphalian concepts – particularly that of sovereign equality under international law – to many other parts of the globe.

China's legacy is different. Neighbors have not been equals so much as tributary states. Alliances have often been conceived as representing little more than a calculation that "the enemy of my enemy is my friend."

Today, China is widely described in Southeast Asia as a bully, disrespectful of others' opinions, let alone their interests. Nowhere is this more evident than with the countries surrounding the South China Sea, the lifeblood of maritime Southeast Asia and of China's northeastern neighbors, Korea and Japan. China seeks to turn the South China Sea into a southern Chinese lake, and has included sovereignty over a disputed group of rocks in the East China Sea among its so-called core interests.

Scores of countries around the world have conflicting territorial claims, especially in maritime matters. But most observe a rule that is deeply embedded in international law and custom: claims should be pursued peacefully and by mutual consent. Unilateral assertion of such claims creates tension and increases the threat of violent conflict – often the result of miscalculation or accident.

In November, China unilaterally established an Air Defense Identification Zone in the East China Sea. In the South China Sea, it has recently introduced a notification system for fishing. Given China's assertions of territorial claims, no one is buying its portrayal of these moves as safety procedures; rather, they are seen as part of a cynical exercise in "salami tactics" – gaining de facto sovereignty over disputed territory one slice at a time.



It is highly unlikely that China's leaders are concerned that longstanding claims by Southeast Asian countries like Brunei could soon be realized, or that Chinese claims could be lost to history. Given the extent to which China's foreign policy is shaped by the pursuit of long-term raw-material supplies – including the South China Sea's hydrocarbon reserves – could the claims be economic in nature?

Perhaps. But another explanation seems at least equally compelling: China's domestic political tensions.

Chinese leaders and strategic thinkers (groups that do not always overlap) often talk of China's aversion to the disorderliness of democracy. China's political system, they assure us, is more disciplined and decisive.

But all political systems must address conflicting interests, and when the process is carried out in informal channels, infighting can soon devolve into a brawl. And China's institutions are pitted against one another as never before. The internal security services compete against the military for resources and influence, and both compete against civilian institutions.

Moreover, one government agency often has no idea what another is doing. Adjudication of institutional competition sometimes must go all the way to the top, where Chinese leaders struggle to maintain control and balance.

Indeed, despite appearances, President Xi Jinping's reform agenda involves not so much a grand vision of the future – what Xi calls the “Chinese Dream” – as a capacity to navigate the complex political calculations that need to be made to ensure that everyone will be satisfied enough not to rebel. One can only imagine the inbox of problems that he confronts every morning.

Above all, Xi must maintain a strong relationship with the security and military bureaucracy. Without their support, he will not succeed in implementing the reforms that China needs in order to avoid the so-called middle-income trap. So he could be doing what leaders everywhere must do: picking his battles and setting his priorities. Moreover, given that nationalism in China often serves as a proxy for popular frustration with the authorities, one can see why the government, not wishing to be outflanked, has not placed Japanese, Filipino, South Korean, or Vietnamese sensitivities among its top priorities.

And yet, unless China improves its relations with its neighbors, its international image will continue to take a beating. It could start with a more respectful attitude toward the Association of Southeast Asian Nations. Chinese leaders' insistence on bilateral negotiations with ASEAN's members, rather than with the bloc as a whole, has done nothing but fuel anxiety and resentment in the region.

Nor will China get very far with the spurious argument that the US is somehow stirring up regional hostility against it, as if such mischief would be in the long-term interest of an America that already has enough on its plate. Instead, China should encourage the development of multilateral structures – again, beginning with ASEAN – that can manage the economic benefits of disputed territories. Good fences, as the saying goes, make good neighbors.

(Christopher R. Hill, former US Assistant Secretary of State for East Asia, was US Ambassador to Iraq, South Korea, Macedonia, and Poland, a US special envoy for Kosovo, a negotiator of the Dayton Peace Accords, and the chief US negotiator with North Korea from 2005-2009)

Source: [Project Syndicate](#), 22 February 2014

Africa's Plan to Police Violent Seas is More Hope than Strategy

-- Ioannis Chapsos

Maritime security is fundamental to economic development all over the world, from local to regional up to international levels. The sea-based trading system, developed mostly by states with maritime borders, offers access to and distribution of energy resources, raw materials and all kind of products around the world. Almost 80% of today's international goods are transported in ships' hulls, along established supply chains that ensure the secure flow of goods to international markets.

Maritime security is therefore one of the most significant dimensions of global and human security in general. It poses multidimensional threats to global security, and in turn has major effects on such essential issues as food, energy and economic security.

For the last decade, Africa has been the epicentre of international maritime insecurity. Piracy and armed robbery at sea has re-emerged in the modern era off the east and west coasts of Africa alike, and gained international media attention because of the human and financial damage inflicted. But we have also seen other breaches of maritime security on the rise in Africa's seas: illegal, unreported and unregulated fishing, toxic waste dumping, and human, weapons and narcotics trafficking.

After years of struggling with these problems, the African Union (AU) has formally adopted the 2050 Africa's Integrated Maritime (AIM) Strategy, a long-term approach to collectively address all maritime crimes in both AU members' territorial waters and surrounding international waters.

The AIM strategy is a highly encouraging signal. It demonstrates a recognition of the importance of maritime insecurity to the continent's development and long-term growth, and the political will to back it up. Given that that the European Union, for example, still lacks a similarly collective approach or any official strategy for long-term action against such crimes, it is an even more impressive achievement.

It is built on the fundamental principles of the human security approach, meaning it aims both to address the root causes of insecurity and to improve the everyday lives of member states' citizens. Also note worthy is the AIM's specific referral to the importance of secure seas for landlocked countries (assuming that the term "landly connected countries" refers to them), given that their dependence on adjacent coastal states for their overall development and economic growth is generally overlooked.

Fingers crossed

Despite its noble foundations, plenty about the AIM is open to question. The establishment of the Combined Exclusive Maritime Zone of Africa (CEMZA) and the AU's vision of "a common African maritime space without barriers" sound positively utopian. The idea of regional capacity-building based on non-existing assets and mechanisms is more of a wish list than a feasible objective. The treaty's stated aim of providing support to weaker states so they can achieve the targets is welcome, but not very likely to happen, given that a vast procurement budget has to be raised and allocated first.

Most of the coastal states in maritime-insecure regions lack the infrastructure and means to suppress maritime criminality, and hence offer a fertile ground for it to flourish. But even if these fragile states' financial issues are resolved, they must still improve their ability to develop sustainable policing mechanisms and to fully contribute to the implementation of the AU's plan.

Beyond economic issues and restrained budgets, the complexity to address insecurity stresses anew the nexus between land based and offshore activities. The jigsaw includes transnational organised crime networks, which are orchestrated by individuals on land; corruption and violence add more obstacles to law enforcement. The coastal states' capabilities are further undercut by well-known links between criminal networks and the military and police of various states.

For all that it is couched in utopian political rhetoric, the strategy's focus on human security is at least in part a response to the daunting reality of these obstacles, and to the thwarted regional cooperation and poor local governance that obstruct maritime policing today. But on the other hand, the prominence given to human security also means that the AU's plan does not rely solely on equipment and asset procurements, and instead recognises the importance of a comprehensive approach, with cooperation at local, regional and international levels.

In the end, the 2050 AIM Strategy does not really deserve the term "strategy". The means it needs to achieve its objectives are simply not currently available, and the optimistic target of meeting those objectives within the next 35 years is not enough to deal with maritime crimes that desperately require shorter-term action. But despite these weaknesses, the AIM could form a useful blueprint for other, better-resourced international actors (such as the EU) to build on. In and adopt similar human-centric approaches, promoting burden and information sharing, collective action and focus on the root causes rather than the symptoms of maritime insecurity.

(Ioannis Chapsos Research Fellow in Maritime Security at Coventry University)

Source: [The Conversation](#), 22 February 2014

China and the Maritime Silk Route

-- Vijay Sakhuja

In October 2013, during his visit to Malaysia and Indonesia, President Xi Jinping underscored the 'shared destiny' of China and ASEAN members and invited them to join China to build a 'new maritime silk road' similar to the ancient Chinese trading route and help accelerate economies of the regional countries. Xi even proposed setting up a China-ASEAN Maritime Cooperation Fund to augment maritime-related projects being undertaken by the ASEAN member countries through capacity building.

However, the ASEAN countries do not appear to be very excited about the Chinese proposal since there are a number of issues that require clarification about the management of the fund, Chinese involvement in these projects, public-private partnership, and above all security issues which undermine Chinese intentions. The Chinese have clarified that the initiative is just an 'idea', an 'open ended platform for cooperation' and it is open to 'good suggestions from other countries'.

China also shared the idea last week with the visiting Sri Lankan foreign minister GL Peiris and expressed its interest in jointly developing Sri Lanka's maritime economy, connectivity, fisheries, disaster prevention and mitigation and search and rescue assistance at sea. China is already engaged in the development of the Hambantota port in Sri Lanka.

The 'new maritime silk road' offers a number of opportunities for India which suffers from technological gaps in its maritime infrastructure. It can harness Chinese capability to construct high quality ships, build world class ports, core technologies for marine bio-pharmaceuticals, seawater utilization, offshore wind, sea water and tidal energy, capture and aquaculture fisheries production and offshore equipment manufacturing. This will also help India-ASEAN maritime connectivity initiative which is languishing due to lack of infrastructure.

However, it is important to point out that the Chinese companies have been barred from participation in India's maritime infrastructure projects due to security concerns. For instance, the installation of a Chinese made 10-cm S-band doppler radar system imported by the Indian Metrological Department for real-time monsoon predictions was rejected; Chinese encryption devises in systems and assemblies; joint venture in Vizhinjam Deep-sea Container Transshipment Terminal project involving a Chinese company, etc.

China can be expected to push its idea of the 'Maritime Silk Road' and win support from a number of countries in the Indian Ocean particularly the small island states who are constrained due to lack of expertise and finances. The 'Maritime Silk Road' also helps China to dispel the notion of 'string of pearls' strategy, legitimize its engagement in Gwadar and other maritime infrastructure projects along the 'maritime silk road'.

(Vijay Sakhuja Director (Research) Indian Council of World Affairs (ICWA), New Delhi)

Source: IPCS.org, 17 February 14

The Dangers of the Sea, Why Concern Over Recent Accidents Involving Ships of the Indian Navy is Overdone

-- Premvir Das

Media reports over the last few months have commented adversely on the state of training in our navy. These have originated from some accidents, most of them minor but one very serious, which have come the way of those in white uniform in recent months. Some commanding officers of the ill-fated ships have reportedly been removed from command pending enquiry resulting in further speculation. There is a general sense in this reporting that things are somewhere amiss in the level of operational preparedness of our seagoing arm. It is necessary to look at this scenario in perspective.

Unlike tanks and guns of the army and aircraft of the air force which are fuelled and equipped with explosives only when the occasion demands and then also with only limited quantities, warships, when operational - which is for periods of a year or more continuously - always carry several tons of explosives including armed missiles on board, in peace as much as in war. The safety regulations are, naturally, very stringent as the ships' crew have to live in close proximity, almost cheek by jowl, with dangerous ordnance. Additionally, these ships are always fully loaded with hundreds, in some cases with several thousands, of tons of fuel, ready to sail on operational missions. There are risks associated with continuously sitting on this combination of lethal substances but that is the way it is. Many precautions have to be taken which is a 24/7 affair but if one wants to operate navies this must be accepted as a way of life. There are hundreds of miles of electrical cable running through the ship and that has its own risk considering that in any ship, in harbour and at sea, a great deal of machinery, pumps, compressors, generators et al, have to be running all the time. Finally, on board the ship itself, not in some kitchen located at some distance, food is constantly being prepared and fires burning. Add to this mix the fact that ships have to operate through fair and foul weather, rolling and pitching, with fuel moving from one side to the other. All of these create a situation in which risk of fire is ever present and, therefore, measures, both in terms of suitable equipment and training of people to cope with it, acquire great importance. What is surprising is not that fires do, occasionally, take place but that they do not occur with greater frequency. It is the state of training which prevents the fires from starting and when they do, enables the required fire fighting measures to cope with them.

At another level, warships at sea must often sail close to the coast to replicate operational scenarios. Here they will find hundreds of fishing boats of all sizes ranging from a 12-foot one-man craft to larger trawlers of varying sizes; one such was captured by terrorists off the coast of Saurashtra as they approached Mumbai to launch their raids on November 26, 2008. A great majority of these craft are unlit even though they are required to display appropriate lights. Great care has to be taken by seafarers to avoid them, and the nets they spread out which can damage propellers if entangled. In short, there is an ever present risk, especially during hours of darkness. Instances when, despite all precautions, accidents occur are many and the recent one in which a warship hit a fishing boat which sank and then rescued all its crew are just one of the hazards of a seagoing vocation. The fact that the Navy relieved the Captain of the ship pending enquiry was a correct step to ensure impartial investigation.

Another facet of seafaring, especially in warships which must train to enter into harm's way, is to operate in relatively shallow waters which will often be encountered off the enemy's coast. Navigating in shallow waters is also routine while entering or leaving any port and every once in a while, a ship might touch bottom. Dozens of ships have done this in the past and dozens more will do so in the future in navies round the world, not just in India. There are many factors that come into play including the state of tide and wind and while a great many navigate these hazards safely, some unlucky ones run aground. One such was the landing ship whose propeller grazed bottom at Visakhapatnam. Once again, and correctly, the captain has been transferred out pending enquiry.

Two or three other instances have been reported in the media but anyone familiar with the business of naval seafaring knows that these are routine events which attend everyday life at sea. Just to get some perspective, as many as 19 commanding officers of US naval ships have faced such unhappy ordeals in the last year and been removed from command. Naturally, such accidents will be less visible in navies which spend more time in harbour than at sea and there are a few of these 'fair weather' forces. The Indian Navy, happily, is not one of them. Yes, the case of Sindhurakshak, which suffered an explosion in August last year and sank at her berth in Mumbai, falls in a different and more serious category. The submarine was in the process of loading fully armed torpedoes prior to proceeding to sea on operational patrol. There are many risks attending this evolution but there are ways in which the risk is minimised and over decades nothing untoward has occurred with such loading having been carried out hundreds of times in dozens of submarines. The exact cause can be established only once the vessel is salvaged and that process has reportedly now begun. Navies which operate such ships, the US and Russian being two, have lost one or more submarines in years gone by with great loss of life. The Indian navy has joined that list but thankfully with lesser penalty. Serious effort must be made to establish what caused the accident as the safety measures to be taken during such activities are many and at least some might have been overlooked or even violated by the crew to expedite the operation.

So, yes, some accidents have taken place. And, yes, many such have come our way earlier and will recur again, in our navy as much as in navies elsewhere. This is not because training is deficient or the crew not proficient. The vocation of seagoing, especially in navies where risk-taking is a norm not an exception, is a challenging one in which the medium can be as much a tough opponent as any man-made adversary. Those who come out relatively unscathed, such as this writer and many others who have held command, have done nothing special or been better trained; it is just that they had luck on their side and when things could have easily gone wrong, they did not. The business is attendant with great risk and threat, in peace as much as in war, and the dividing line between an accident and a narrow miss is a very thin one. It is not a profession for those who are averse to going into harm's way. As wise old grandmothers say, "do not go into the kitchen if you cannot stand the heat".

(The writer is a former Commander-in-Chief of the Eastern Naval Command)

Source: [Business Standard](#), 22 February 2014

India Should Anchor Maritime Policies on a Strong Navy – Analysis

-- Manoj Joshi

There is a certain panache with which China does things these days. Two weeks after a PLA Navy flotilla carried out the first series of exercises to enter the Indian Ocean via the Lombok Straits in Indonesia, Beijing invited New Delhi to be part of the maritime silk route aimed at improving connectivity and trade among Asian nations. This invitation came during the 17th round of the talks between the Special Representatives of the two countries that took place in New Delhi last week.

Dialogue

At the talks, the Chinese SR, State Councillor Yang Jichei also invited India to undertake a maritime dialogue with China. Indian officials have generally welcomed the two suggestions, though they say that the shape, nature and agenda of the dialogue remains to be determined. But it is the naval drill that has gained a great deal of attention. Three ships, including the Changbaishan – China's largest landing craft which can carry a marine battalion and 15-20 armoured vehicles – crossed the Makassar Straits between Sulawesi and Kalimantan, and then went through the Lombok which is between Bali and Lombok island and entered the Indian Ocean. According to Chinese sources, the exercise, which used a giant hovercraft made in Ukraine, was to force a passage through the straits by using amphibious forces. Teng Jianxin, a Fellow at China Institute of International Studies, was cited in the Chinese media as saying that the aim of the exercise was to display the ability to break through a strait which may be under the control of an adversary.

Incidentally, the Changbaishan is much bigger than the similar INS Jalashwa that India acquired second-hand from the United States in 2007, and China has three such ships and is making more. In December, New Delhi floated a tender open to domestic companies for building four ships of the Changbaishan size. But, given the way we do things, it will be a while before we can expect the vessels to actually take to water. Traditionally, the PLA Navy was configured for coastal defence and the invasion of Taiwan. But it now has oceanic ambitions. According to a report in a Russian military magazine, China is building four aircraft carriers, and may take the number up to six. Not only are the Chinese experimenting with various advanced technologies like electric propulsion, they have also reportedly mastered the technology of the electro-magnetic catapult which only the US has, and which it has reportedly offered India. With six carrier battle groups, China will be within hailing distance of US capabilities which are built around 10 carrier groups, with two under construction.

Sea lanes

The maritime silk route idea was first mooted last year when President Xi Jinping and Premier Li Keqiang stormed South-east Asia in a major diplomatic foray aimed at winning friends and isolating Japan. A parallel land silk route is already functioning with Chinese railways, pipelines and roads snaking westwards into Central Asia, towards Europe. Simultaneously, China has mooted an off-shoot of the silk route to link Bangladesh, China, India and Myanmar (BCIM).

Like many industrialised nations, China depends on the sea lanes for imports, with 80 per cent of its oil transiting through the Malacca straits. But China cannot be unaware that India sits at the head of the straits and a US ally, Singapore, is at its other end. So, as a matter of abundant caution, Beijing is laying down the alternate routes which include the Lombok straits, and could in future include the Sunda straits as well.

It must be pointed out that under UNCLOS, all major straits must remain free from blockades even if they are under the jurisdiction of a particular country. Further, going through straits with a flotilla in peacetime is quite different from a wartime scenario. China is also hedging its oceanic routes by developing land connectivity through Central Asia, Russia and Myanmar. There is a certain sophistication to the Chinese message. On one hand, Beijing is signaling that its sole interest is in protecting its considerable commercial interests, which includes important energy supplies from the Persian Gulf and Africa. On the other, it is ensuring that everyone knows that its diplomacy is anchored on strong and rapidly growing PLA capabilities. It will engage with other nations to protect the sea lanes of communications. But if needs be, it will enforce it through the might of its rapidly expanding naval capabilities.

Navy

At the same time, it is not backing off on any of its claims, outlandish as they are, when it comes to the South China Sea. In December, Hainan province announced new rules for fishing in the South China Sea which covered not only Chinese territorial waters and exclusive economic zone, but international waters as well. This action seems to fly in the face of Chinese efforts to improve ties with ASEAN, especially Vietnam. In the SR talks last week, China was at pains to reassure India that at no point would it interfere with the freedom of navigation in the high seas. This was an oblique riposte at the Indo-Japan joint statement of last month where, the two sides reiterated “the commitment of Japan and India to the freedom of navigation [and] unimpeded commerce,” and for good measure, added, “and peaceful settlement of disputes based on the principles of international law, including the 1982 United Nations Convention on the Law of the Sea (UNCLOS).”

On Saturday, Chinese foreign minister Wang Yi reiterated China’s peaceful intentions to US Foreign Secretary John Kerry. The US has recently, for the first time, made it clear that it does not accept China’s exaggerated claims in the South China Sea. But even as India engages China in a dialogue, or becomes a way station in the sea silk route, New Delhi needs to take some lessons from China and anchor its maritime policies on a strong navy. As of now, we can more than hold our own in the Indian Ocean against all but the US Navy. But, tomorrow is another day.

(The writer is Contributing Editor, Mail Today and a Distinguished Fellow, Observer Research Foundation, Delhi)

Source: eurasiareview.com, 23 February 2014

China's Maritime 'Silk Road' Proposals are not as Peaceful as they Seem

--Kanwal Sibal

China's proposition of a maritime silk route connecting the Pacific and Indian oceans is part of its propaganda drive to convince the world about its peaceful rise. Its actions do not match its protestations, but that does not deter China from proclaiming that its rise will be free from clashes, unlike in the past when rising powers challenged existing hegemonies. The silk road symbolised China's connectivity with the outside world. Connectivity is the focus of China's current economic and trade strategy. China uses the silk route memory to serve its interests, ambitions and image in several ways. The historical silk route recalls China's role in world trade and the prize attached to its products by the rest of the world, in past generations. The silk road represented China's economic superiority then, one that it seeks to regain in today's context when it has become the world's second-largest economy and its biggest exporter.

Connectivity

The Silk Road symbolised China's connectivity with the outside world. Connectivity, indeed, is the focus of China's current economic and trade strategy. It is building east-west relationships, with oil and gas pipelines linking it to Kazakhstan and Turkmenistan. It is building north-south connections to South East Asia, Myanmar and Pakistan. Through the latter two it is building connectivity to the Bay of Bengal and the Arabian Sea, partially resolving its Malacca dilemma. Yunnan and Sinkiang will draw the adjoining regions to which they are being connected into the Chinese economic orbit given their less developed state, China's economic dynamism, its tremendous export capacities and hunger for natural resources. China is trying to rope India into its connectivity strategies through proposals such as the Bangladesh-China-India-Myanmar (BCIM) corridor linking Yunnan with our north-east. India has been promoting east-west connections through Myanmar, Thailand and on to Vietnam, to balance China's north-south connections to South-East Asia. We have had concerns about Chinese inroads into Myanmar. The BCIM corridor project counters our strategy and yet we are supporting it. We are ignoring the danger of exposing our north-east to China, an area inadequately integrated with India, parts of which China claims as its own territory and where China has been involved in past insurgencies, not to mention the gun running from Yunnan to local insurgents that continues to a degree. Even if, as part of our policy of furthering our engagement with China, we prefer not to be seen as opposing the project openly, the easy manner in which we accept such Chinese agendas is questionable.

Strategy

Having seen the silk road idea working well politically on Asia's continental landmass - with the US touting the concept of a New Silk Road linking Central Asia to South Asia - China now proposes a maritime silk route linking it to Asia. The memory of Admiral Zhang's sea-voyages in the early 15th century to south-east Asia, India, Hormuz and the Somalian littoral will no doubt be invoked by China to emphasise the historical basis of its peaceful forays to these distant Asian shores.

The concept of a maritime silk route seeks to present China's maritime strategy in a peaceful light, as being motivated purely by commercial considerations. The word "silk" evokes softness and affluence. This is a belated counter to the misgiving - in India certainly - about the so-called "string of pearls" strategy being pursued by China to expand its presence in the Indian Ocean.

Power: China has made illegal claims to large swathes of the South China Sea, embroiling it in disputes with several south-east Asian countries

The port facilities China is obtaining or building in Myanmar, Bangladesh, Sri Lanka, Maldives and Pakistan, while justifiable from the Chinese point of view to buttress its huge external trade flowing in large part through the Indian Ocean, raise concerns about China encircling us physically and politically, changing our bilateral equation further to our disadvantage, thereby making it still more difficult for us to resolve our problems with it equitably. China will, inevitably, follow up with its commercial footholds in the Indian Ocean with naval ones. The purpose of China's naval expansion is precisely to create strategic space for itself in western Pacific and then move into the Indian Ocean gradually, in preparation for which China is learning to operate far from its shores for quite some time now, in the Gulf of Aden, for instance.

Cynicism

The cynicism behind China's proposal is glaring in the light of its aggressive posture in the western Pacific. The maritime silk route begins in tension ridden waters, with China contesting Japanese sovereignty over the Senkakus and undercutting it internationally by declaring an Air Defence Identification Zone (ADIZ) in the East China Sea that covers these islands. China has made illegal claims to large swathes of the South China Sea, embroiling it in strife with several south-east Asian countries. It now threatens to declare an ADIZ over the South China Sea too, aggravating the situation for its neighbours and the international community at large. China must first settle these issues amicably before its maritime silk route proposal has political credibility. India has been invited to join the Chinese proposal in what is clearly a bid to unsettle it diplomatically. If India joins - we seem to have reportedly accepted the invitation - it will be endorsing China's maritime initiatives in the Indian Ocean, including its strategic objectives in developing Gwadar, not to mention its sizeable investments in Sri Lanka.

Historical precedent: The Hunza Valley on the famous silk road which connected China to central Asia and Europe

China is also skillfully trying to counter Japanese premier Abe's Indo-Pacific concept - which has pronounced security undertones - with a mollifying silk route concept linking the two oceans. The American interest in India in the context of its re-balance towards Asia has a strong maritime content, reflected not only in frequent naval exercises between the Indian and US navies in the Indian Ocean, but also US exhortations to India to "act east". China's maritime silk route proposal is too self-serving to receive our support.

(The writer is a former Foreign Secretary)

Source: dailymail.co.uk, 24 February 2014

Rolls-Royce Drone Ships Challenge \$375 Billion Industry: Freight

-- Isaac Arnsdorf

In an age of aerial drones and driver-less cars, Rolls-Royce (RR/) Holdings Plc is designing unmanned cargo ships.

Rolls-Royce's Blue Ocean development team has set up a virtual-reality prototype at its office in Alesund, Norway, that simulates 360-degree views from a vessel's bridge. Eventually, the London-based manufacturer of engines and turbines says, captains on dry land will use similar control centers to command hundreds of crewless ships.

Drone ships would be safer, cheaper and less polluting for the \$375 billion shipping industry that carries 90 percent of world trade, Rolls-Royce says. They might be deployed in regions such as the Baltic Sea within a decade, while regulatory hurdles and industry and union skepticism about cost and safety will slow global adoption, said Oskar Levander, the company's vice president of innovation in marine engineering and technology.

"Now the technology is at the level where we can make this happen, and society is moving in this direction," Levander said by phone last month. "If we want marine to do this, now is the time to move."

The European Union is funding a 3.5 million-euro (\$4.8 million) study called the Maritime Unmanned Navigation through Intelligence in Networks project. The researchers are preparing the prototype for simulated sea trials to assess the costs and benefits, which will finish next year, said Hans-Christoph Burmeister at the Fraunhofer Center for Maritime Logistics and Services CML in Hamburg.

Even so, maritime companies, insurers, engineers, labor unions and regulators doubt unmanned ships could be safe and cost-effective any time soon.

While the idea of automated ships was first considered decades ago, Rolls-Royce started developing designs last year. Marine accounts for 16 percent of the company's revenue, data compiled by Bloomberg show. Descended from the luxury car brand now operated by Bayerische Motoren Werke AG, Rolls-Royce also makes plane engines and turbines.

The company's schematics show vessels loaded with containers from front to back, without the bridge structure where the crew lives. By replacing the bridge -- along with the other systems that support the crew, such as electricity, air conditioning, water and sewage -- with more cargo, ships can cut costs and boost revenue, Levander said. The ships would be 5 percent lighter before loading cargo and would burn 12 percent to 15 percent less fuel, he said.

Safety Standards

Crew costs of \$3,299 a day account for about 44 percent of total operating expenses for a large container ship, according to Moore Stephens LLP, an industry accountant and consultant.

The potential savings don't justify the investments that would be needed to make unmanned ships safe, said Tor Svensen, chief executive officer of maritime for DNV GL, the largest company certifying vessels for safety standards.

"I don't think personally that there's a huge cost-benefit in unmanned ships today, but technologically it's possible," Svensen said Feb. 4 at a conference in New York. "My prediction is that it's not coming in the foreseeable future."

While each company can develop its own standards, the International Association of Classification Societies in London hasn't developed unified guidelines for unmanned ships, Secretary Derek Hodgson said.

"Can you imagine what it would be like with an unmanned vessel with cargo on board trading on the open seas? You get in enough trouble with crew on board," Hodgson said by phone Jan. 7. "There are an enormous number of hoops for it to go through before it even got onto the drawing board."

Regulating Ships

Unmanned ships are currently illegal under international conventions that set minimum crew requirements, said Simon Bennett, a spokesman for the London-based International Chamber of Shipping, an industry association representing more than 80 percent of the global fleet. The organization isn't seriously considering the issue, he said by phone Feb. 6.

The country where a ship is registered is responsible for regulating vessels within its own waters and for enforcing international rules, said Natasha Brown, a spokeswoman for the International Maritime Organization, the United Nations agency in London that oversees global shipping.

The IMO hasn't received any proposals on unmanned, remote-controlled ships, she said in a Feb. 6 e-mail. IMO regulations apply to seagoing vessels trading internationally and exceeding 500 gross tons, except warships and fishing boats.

As long as drone ships don't comply with IMO rules, they would be considered unseaworthy and ineligible for insurance, according to Andrew Bardot, secretary and executive officer of the London-based International Group of P&I Clubs, whose 13 members cover 90 percent of the global fleet.

Union Opposition

The International Transport Workers' Federation, the union representing about 600,000 of the world's more than 1 million seafarers, is opposed.

"It cannot and will never replace the eyes, ears and thought processes of professional seafarers," Dave Heindel, chairman of the ITF's seafarers' section in London, said in an e-mailed statement. "The human element is one of the first lines of defense in the event of machinery failure and the kind of unexpected and sudden changes of conditions in which the world's seas specialize."

The dangers posed to the environment by unmanned vessels are too easily imagined.”

Levander of Rolls-Royce said the transition will happen gradually as computers increase their role in navigation and operations. Container ships and dry-bulk carriers will probably be the first to forgo crews, he said. Tankers hauling hazardous materials such as oil and liquefied natural gas will probably remain manned longer because of the perception that having people on board is safer, he said.

Redundant Systems

Crews will offer no safety advantage after ships evolve equipment for remote control, preventive maintenance and emergency back-ups, Levander said. Unmanned ships will need constant and comprehensive computer monitoring to anticipate failures in advance and “redundant” systems to kick in, similar to those on airplanes, he said.

The computers would also be constantly analyzing operations data to improve efficiency and save money, he said. Cameras and sensors can already detect obstacles in the water better than the human eye.

“It’s a given that the remote-controlled ship must be as safe as today,” Levander said. “But we actually think it can be even much safer than today.”

Human error causes most maritime accidents, often relating to fatigue, according to Allianz Global Corporate & Specialty AG. Total losses are declining, with 106 in 2012, 24 percent below the 10-year average, according to the most recent data from the unit of the Munich-based insurer.

Repatriating Sailors


Unmanned ships would also reduce risks such as piracy, since there would be no hostages to capture, Levander said. It would also eliminate liability for repatriating sailors when owners run out of money or abandon crews, which has stranded at least 2,379 people in the past decade.

Drone ships would become vulnerable to a different kind of hijacking: from computer hackers. While the technology may never be fully secure, it needs to be so difficult to break that it’s not worth the effort, according to Levander.

Unmanned ships would still require captains to operate them remotely and people to repair and unload them in port. These workers would have better quality of life compared with working at sea, Levander said.

Academic Debate

Currently the debate is more academic than operational, said Peter Sand, an analyst at the Bagsvaerd, Denmark-based Baltic and International Maritime Council, whose members control about 65 percent of the global fleet. None of them have raised the question of drone ships with the trade group, he said.



Levander is accustomed to chilly receptions. When he broached the subject at an industry conference in London last May, the audience audibly scoffed, and other speakers on Levander's panel dismissed the idea.

"If everybody in the industry would say, 'Yes, this is the way to go,' then we are too late," Levander said. "I expect ship owners to be conservative, but it will change."

Source: [Bloomberg News](#), 25 February 2014



MARITIME SECURITY

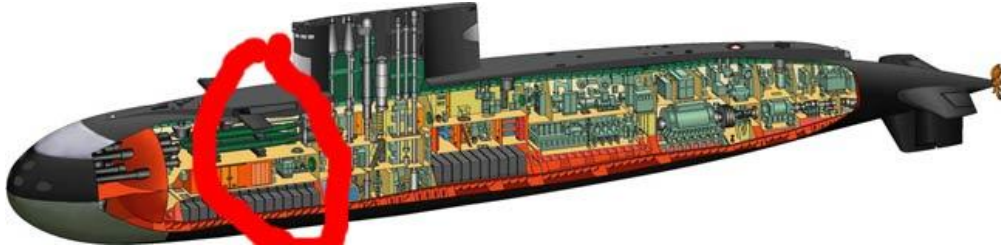


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INS Sindhuratna Tragedy: Two Feared Lost, Seven Injured

--Sandeep Unnithan

Two naval officers are 'unaccounted for' after a fire onboard an Indian naval Kilo class submarine. The fire and smoke broke out in the third compartment of the INS Sindhuratna, a submarine undergoing trials off Mumbai this morning. The incident occurred at around 6.30 am nearly 50 km off the city where she was undergoing acceptance trials after finishing a refit.



The fire in the forward battery compartment triggered off the release of the submarine's 'Lokh' station that discharges Freon gas. Freon is used in submarine fire-fighting systems because it rapidly displaces oxygen in confined spaces and kills fire. It can, however, also prove lethal to crewmen who are not wearing emergency breathing apparatus. The trials were being supervised by the Western Fleet's Commodore Submarines or Comcos (West). Meanwhile, reports said seven sailors were also injured in the incident.

The Sindhuratna is one of the navy's fleet of nine Kilo class submarines. A tenth submarine, the INS Sindhurakshak exploded and sank in the naval dockyard on August 14, 2013 killing 18 crewmen on board. The Sindhuratna was moored nearby and suffered minor fire damage. Wednesday's incident was similar to one on November 8, 2008 when the accidental discharge of Freon gas on an Akula class nuclear-powered attack submarine killed 20 Russian personnel and injured 41 others. The submarine, the Nerpa, was leased to India in 2012 as the INS Chakra.

“Indian Naval Submarine Sindhuratna was at sea off Mumbai for routine training and workup (inspection). While at sea in the early hours of Wednesday, 26 Feb 14, smoke was reported in the sailors' accommodation, in compartment number three, by the submarine. Smoke was brought under control by the submarine's crew. In the process of controlling the smoke / fire, seven crew members inhaled smoke and felt uneasy. The Headquarters, Western Naval Command (HQ WNC) rushed a Seaking Helicopter with medical team. The seven crew members were transferred to Naval Hospital Asvini. All specialist Medical Officers attended and reported that the crew were safe. Naval ships were despatched by HQ WNC and were in the area to provide assistance to the submarine. Two personnel have not yet been located and all efforts are in progress to locate them. All other crew of the submarine are on board and safe. Submarine is also safe and this does not have any weapons on board. The submarine will return to harbour shortly. An inquiry has been ordered to establish the cause of the incident.”

Editor's Note: The two missing officers unfortunately did not survive the tragedy.

Source: [India Today](#), 26 February 2014

China Moots First-ever Maritime Dialogue with India, Panchsheel Diamond Jubilee

China has proposed a first-ever maritime dialogue with the Indian Navy and the PLA Navy. The dialogue, between Rear Admiral rank officers, will cover aspects of Freedom of Navigation of the Seas, Humanitarian Assistance and Disaster Response (HADR) will be the first high-level contact between two of Asia's fastest growing naval powers. The proposals were conveyed by China's state councilor Yang Jeichi's delegation when they visited New Delhi. China has also suggested joint celebrations of the 60th anniversary of the signing of the Panchsheel by both countries and a specific code of conduct to avoid flare-ups on the boundary. Jeichi was in Delhi for the 17th annual dialogue of the Special Representatives of India and China. Jeichi discussed these new proposals in the two-day talks with National Security Adviser Shiv Shankar Menon. They are part of a series of steps taken by both countries to ease tensions beginning last year. Last year Prime Minister Manmohan Singh and Premier Li Keqiang signed a Border Defence Cooperation agreement that would enhance coordination between both armies that patrol a contentious 4000-km border.

Top Indian officials are studying the proposal for the maritime exchanges and the code of conduct. It is, however, unclear how India will respond to the proposal for the Panchsheel celebrations. The five principles of peaceful co-existence were signed by Prime Minister Jawaharlal Nehru and his Chinese counterpart Chou en Lai in Beijing on April 29, 1954. The agreement collapsed when China fought a short and bitter border war with India in October 1962. Interestingly, while the five principles - mutual respect for each other's territorial integrity and sovereignty, mutual non-aggression, mutual non-interference in each other's internal affairs, equality and mutual benefit and peaceful coexistence - formed the basis of agreements in 1993, the word Panchsheel itself was never used. China is clearly keen on the celebrations being part of the 'China-India year of friendly exchanges' that Jeichi launched with vice-president Hamid Ansari in Delhi on February 11. China also requested state visits by the Indian President Pranab Mukherjee and vice-president Ansari, decisions that are now likely to be taken only by the next government that comes to power in Delhi.

Source: [India Today](#), 15 February 2014

Coast Guard Inches its way towards setting up Air Enclave

Indian Coast Guard is inching ever so slowly towards its stated goal of setting up an air enclave in Mangalore. Vital to undertaking aerial surveillance of India's vast and sometimes porous coastline especially along the West Coast, the air enclave holds vital strategic importance to national security. Delay on part of the state government in handing over land is holding up setting up the air enclave. The Indian Coast Guard through the Defence Estate Officer has already paid Rs 1.88 crore for the 15.21 acres of land needed by it for the enclave. Noting that the Defence Estate Officer is the custodian of all defence land, Commander Rajmani Sharma, Coast Guard Karnataka said, once the land is handed over the defence estate officer, it officially comes to the Coast Guard to be used for the purpose it is acquired for

At present, Coast Guard is using fixed wing Dorniers from its other air enclaves to carry out surveillance sorties over Karnataka's 320-km long coastline. "We have Dorniers that come to the old airport at Bajpe near here from where they carry out regular sorties," he said.

The Coast Guard intends to set up hangars to house one fixed wing Dornier and a Chetak at the air enclave to start with and double the numbers at a later date. J T Radhakrishna, director, Mangalore International Airport told STOI that Airports Authority of India a year ago has offered the terminal building of the old airport to Coast Guard for the proposed air enclave. Indian Coast Guard is pursuing the same with the ministry of defence and awaiting clearances, he said, adding Coast Guard aircrafts are periodically using the old airport for their sorties and apron space there for parking.

Source: [The Times of India](#), 15 February 2014

Salvage of Submarine in Four Months?

The Indian Navy looks forward to gain experience from the US firm Resolve Marine Group contracted to salvage INS Sindhurakshak that sank last year, killing 18 of its crew. The firm, which has been given the Rs.240 cr contract after the government found the Indian Navy does not have the kind of technology needed for such operations, has made it clear that it will take a call on whether to bring out the wreck in one piece, as the Navy prefers, or break into compartments as the salvage operation proceeds. The Navy wants the submarine preferably recovered 'even-keel' — meaning with its right side up and in one piece, lifted and be dry-docked. The salvage team will also have to clear the wreck of the submarine of unexploded ordnance. The Naval sources said the salvagers have said that their decision will be based on the 'integrity' of the hull since there is suspicion that the explosions twisted both the hull and the compartments in the innards of the Sindhurakshak. The firm has told the Navy that it would take at least 45 days to bring in the equipment needed for the recovery and if all goes well, the salvage operations will be completed within four months, though it all depends on the tidal conditions that have to be taken into consideration. Its divers and specialists will be landing in Mumbai next week to familiarise themselves with details of the INS Sindhurakshak to feel their way about and through the wreck.

The Navy has sought permission from the Defence Ministry as it involves security complications in allowing the private firm's men details of each and every compartment of the class of the submarines. The salvagers will also 'rehearse' the operation with a mock-up. The technology to be used will be determined through detailed computer simulation. The salvage operation, as per the firm getting the contract, will be carried out in four stages, starting with breaking the submarine free of the bottom as it will have to come unstuck since its keel is buried into the seabed for about half a metre. In effect, the salvagers have to devise a mechanism to lift the 3,000-tonne submarine ensuring that in the process it does not tip over by deploying de-watering technology to make it buoyant.

Three other processes to be undertaken for the rescue are:

- **Surfacing:** The salvagers will have to steady the boat and work on making it buoyant. This could involve welding hooks into its hull; then pass cables through the hooks to pull it to the surface. Alternatively, to make it buoyant, they may also fix slings around the hull. The salvagers could consider attaching pontoons to the submarine. The pontoons — buoyant devices for flotation — may have to be fastened in a way that they can be 'saddled' to the hull.

- Lifting: This could involve both the attachment of the pontoons and pulling with cables attached to cranes that will have to be erected over the boat and spaced in such a manner that the wreck does not break, bend or twist. After it has been surfaced, it would have to be pulled free of water and transported and placed in a dry-dock.
- Assessment: It is in the dry-dock that investigators would be expected to comb through the wreck to determine what happened.

Apart from the technological challenges involved in the entire process, one of the most difficult issues is the lack of visibility underwater in the naval dockyard. Navy divers have reported that just about a foot below the surface the water is so dark they are near-blind. The divers had to feel their way through the submarine in recovering the bodies — and their parts — of the 18 crew who were killed when the Sindhurakshak went down.

Source: freepressjournal.com, 17 February 2014

Hainan's Yalong Bay: China's New Nuclear Submarine Base

A photo revealed by a Chinese internet user shows that the People's Liberation Army Navy has deployed three Type 094 Jin-class ballistic missile submarines to its new naval facility in Yalong Bay on the southern island province of Hainan, which is likely to become China's new base to demonstrate its nuclear deterrence capability to the United States, reports the Communist Party-run English-language Global Times.

An earlier report by the Office of US Naval Intelligence said China was secretly constructing the world's largest nuclear submarine base in the world at Sanya in Hainan. Satellite photos on the website of the Chinese military taken during the recent Chinese New Year holidays showing three Type 094 Jin-class submarines appearing frequently in the waters around Yalong Bay also added to speculation. Cao Weidong from the PLA Navy Military Academic Research Institute told state broadcaster China Central Television (CCTV) that China's nuclear submarine force should not be considered a homebody by its adversary. Cao said the Type 094 submarine has most likely already conducted patrol missions secretly in open waters. With an operational range of 14,000 kilometers, the US Navy believes that the JL-2 submarine-launched ballistic missile is capable of reaching the west coast of the continental United States.

From the perspective of many Western defense experts, the Type 094 Jin-class submarine and the JL-2 missile has given China its first credible sea-based nuclear deterrent, giving the PLA Navy second-strike capability. Since the base at Yalong Bay is constructed under the mountain, it will be very hard for the United States to detect the movement of Chinese submarines before it is too late.

Source: wantchinatimes.com, 18 February 2014

India Offers to Build Direct Shipping Route to Iran Port

India has offered to establish direct shipping route to Iran's southeastern Chabahar Port in a bid to cut the costs of the transit of commodities between the two countries, Press TV reported. The offer was made during a meeting between Iran's Minister of Road and Urban Development Abbas Akhoundi and an Indian delegation of experts in Tehran on Sunday. Indian Ambassador to Tehran Shri D.P. Srivastava, who was present in the meeting, said an Indian private company is ready to establish a direct shipping link between Chabahar and Indian ports in order to bypass Dubai where Indian container ships have to cross to reach Iran. The Indian diplomat said the capital investment initially envisaged for the construction of a container terminal in Chabahar stands at USD 147 million. Srivastava described Chabahar as a strategic port facilitating access to Central Asian states.

India's state-run Jawaharlal Nehru Port Trust sent the expert team to Iran last December to accelerate work on Chabahar Port with a view to facilitating New Delhi's access to Afghanistan and Central Asia. The team has since been conducting technical and commercial assessment. Iran's Chabahar Port, located 72 kilometers (44 miles) west of Pakistan's Gwadar port, holds immense strategic and economic significance for India. The port is already connected to the city of Zaranj in Afghanistan's southwestern province of Nimruz and can serve as India's entry point to Afghanistan, Central Asia and beyond. Last November, Afghan Ambassador to New Delhi Shaida Mohammad Abdali said his government is eager to sign an agreement with Iran and India for the transit of commodities to Afghanistan.

Source: trend.az, 16 February 2014

Indian Navy Signs MoUs with RUSSIA on New Combat Management Systems and Radars

Indian Navy, hoping to expand its global presence, will receive a shot-in-the-arm with the signing of new MoUs with Russia on the new Combat Management Systems and radars. These MoUs that are of strategic concern to the Indian Navy were signed on the sidelines of the recently concluded DefExpo in Delhi. The MoUs were signed between Indian firm Pipavav defense and Offshore Technologies Ltd. and Russian state-run defence firm Concern-Morin form system-Agat. Both sides are looking forward to launching a mutually beneficial cooperation pattern in producing for the Indian market as well as for export. A working group is likely to be established as soon as all of the formalities are settled within a month of signing the MoUs, an official from Agat said. Pipavav Shipyard was the first Indian corporate shipyard to be granted clearance to build warships and other vessels for the Indian Navy. The Russian defence firm is also in talks with state-run Hindustan Shipyard, Goa Shipyard and Bharat Engineering Limited to jointly develop products for the Indian Navy.

Source: The Economic Times, 19 February 2014

Pakistan, US to Strengthen Maritime Cooperation

Pakistan's ambassador to the United States Jalil Abbas Jilani discussed maritime cooperation with US Secretary of Navy Ray Mabus at a Pentagon meeting on Thursday. Ambassador Jilani underscored Pakistan's commitment to continue its steady contribution to support regional counter piracy and maritime security efforts, the Pakistani embassy said. During the meeting, the Pakistani envoy and the US Navy Secretary discussed matters related to bilateral cooperation in maritime security. Ambassador Jilani noted that Pakistan Navy had made valuable contributions to multilateral efforts to degrade sea piracy that threatened security of the sea lanes in the region. He also recounted successes achieved through joint efforts in interdiction of drugs along the sea routes. US Secretary Navy Ray Mabus appreciated the role Pakistan Navy plays in bolstering multilateral efforts to defeat piracy. He also stated that Pakistan's contributions in this area had been remarkable and the US enjoyed excellent cooperation with Pakistan in ensuring safety and security along the sea lines of communication. The joint statement issued during the recently held Pakistan - US strategic dialogue review meeting last month, had stated the common desire by both governments to strengthen cooperation in maritime security. Secretary Mabus is the senior most American official in charge of the US Navy and the Marine Corps.

Source: [Business Recorder](#), 21 February 2014

Navy Has to Take Call on Inducting Brahmos' Submarine Version

Brahmos Aerospace, an Indo-Russia joint venture and manufacturer of the cruise missile, is awaiting decision from the Indian Navy, to induct its submarine version, a top official said today. Brahmos has successfully test fired the underwater version in March last and "Indian Navy has to take a decision in this regard (induction)," A Shivathanu Pillai, Brahmos CEO, told reporters here. Shivathanu Pillai, who was here to address the heads of various department and students of Tamil Nadu Agricultural University, said the company recently test-fired the missile on Salvo mode. After the successful test firing, eight cruise missiles could be fired on Salvo mode in the future, at different targets, he said. Boosting Navy's firepower, the 290km-range BrahMos supersonic cruise missile was successfully fired from a naval warship INS Trikand in salvo mode in the Arabian Sea recently. On export of the cruise missiles, he said so far no decision has been taken for exports, since the requirement in Indian defence was very huge.

DRDO was continuously working to keep Indian soldiers healthy and energetic and trying to find food from ordinary things available in the nature. It had developed an anti-oxidant juice from sea buck thorn, which were being marketed across the country, he said. To promote research in biotechnology and nano-technology, DRDO has already set up a Centre for Life Sciences in Bharathiar University here and provided Rs 18 crore for the phase one project. Another Rs seven crore was recently sanctioned for the phase-two out of Rs 22 crore, and the University will work with Agricultural University in the field of bio and nano technology, for benefit of farmers, he added. In his address to students, Pillai said with shortage of water in India, researchers, scientists and farmers have to depend totally on technology, to get higher yield and production, to achieve the food security.

Dwelling on expert systems for agriculture, like space technology, solar and nuclear technologies, he said India has become food surplus now, by producing 262.7 million tonnes of food grains at the end of green revolution and second green revolution has set a target of 400 million tonnes by 2020.

Source: [Business Standard](#), 21 February 2014

India Very Important Member of Piracy Contact Group: US

India, which has the largest number of pirates in its custody, is a very important member of the piracy contact group, a senior US official has said. US Coordinator for Counter Piracy and Maritime Security Donna Hopkins said "India is a very important member of the Contact Group and, in fact, chaired a plenary" and has more pirates under its custody than any other country. "There is almost no littoral country, no naval country, and no major shipping country that has not contributed actively to the contact group. And the two that you've mentioned have been very important partners," she said. Hopkins said at present about 1,430 Somali pirates – either suspected and being tried or convicted and in prison in 21 countries. Somalia, after India, has the largest number of pirates under its custody. Hopkins said there has been no piracy hijacking off the coast of Somalia since May 2012. "This is the lowest rate of attempted hijackings in over six years, and certainly since the peak of the crisis in 2011.

No ships are currently held hostage by Somali pirates, although there remain at least 49 hostages whom the international community are working to free," she said. She said the remarkable drop in piracy was primarily due to two things: proactive counter-piracy operations by the many national navies and missions that are preventing and disrupting pirate attacks off the coast of Somalia and in the eastern Indian Ocean, and better self-protection by commercial ships, including the use of embarked armed security teams. The CGPCS is a group of countries and organisations with a common interest in eliminating piracy from the Gulf of Aden and the Indian Ocean. It was constituted in 2009 to facilitate the discussion and coordination of actions among states and organizations to suppress piracy.

Source: [The Indian Express](#), 22 February 2014

Philippines to Buy 12 South Korean Fighters for \$422 million

The Philippines is to acquire a squadron of FA-50 fighters from South Korea in a deal worth \$422 million (18.9 billion pesos), a senior Philippine defense official said on Friday, boosting its capability as tension simmers in the South China Sea. Fernando Manalo, undersecretary of defense for finance, munitions, installations and materiel, said the government had reached an agreement with Korean Aerospace Industries Ltd. for 12 of the aircraft and would sign a contract before March 15. "This is a very important project together with the frigate of the navy because of our objective of building a minimum credible defense," Manalo told reporters. The Philippines has embarked on a five-year, 75 billion-pesos (\$1.68 billion) modernization program to improve its capability to defend its maritime borders against the creeping expansion of China in the South China Sea. In 2012, it lost control of the Scarborough Shoal and since May last year, China's vessels have been in the vicinity of the Second Thomas Shoal in the disputed Spratlys, where Philippine troops are stationed on a grounded transport ship.

The Philippines' ill-equipped armed forces is no match for those of China despite receiving two cutters and coastal radar stations from the United States in 2011. China claims 90 percent of the South China Sea's 3.5 million sq km (1.35 sq miles) waters. The sea provides 10 percent of the global fisheries catch and carries \$5 trillion in ship-borne trade each year. Brunei, Malaysia, the Philippines, Vietnam and Taiwan also have claims, to at least parts of the sea. Manalo said a team from South Korea came to the Philippines to negotiate the aircraft deal, agreeing to reduce by \$500,000 the cost of spare parts and accepting a 15 percent down payment from the government. South Korea agreed to deliver the first two aircraft 18 months after the contract signing next month.

Source: [Reuters](#), 21 February 2014

China's Navy Complete First Blue-water Training in 2014

On February 11, the blue-water training formation of the South China Sea fleet of Chinese navy, consisting of amphibious landing craft Changbaishan and destroyers Wuhan and Haikou, berthed in a naval port in Zhanjiang, Guangdong province. The first normalized blue-sea training mission of the navy in 2014 came to its end consummately. According to Jiang Weilie, the commander of this formation and the commander-in-chief of the Fleet of South China Sea, this blue-water training has not only further intensified the specialization in such key and difficult problems as "air defense and countering missiles" and "countering submarines", but also effectively enhanced the military operation ability.

Source: [People's Daily](#), 21 February 2014

4 Chinese Ships Back at Ayungin

MANILA, Philippines - Four Chinese surveillance ships have returned to Ayungin Shoal after several months of absence. A security official who asked not be named said two of the Chinese ships have the 306 and 363 markings on their bows, while the two others look like frigates. "They've been spotted near Ayungin since last week," the security official said. Another source said the Chinese Navy is again maintaining an active presence in the Spratlys. "They were gone, but they have returned," the source said. Filipinos continue to fish in the area of Ayungin despite the presence of the Chinese ships. Armed Forces chief Gen. Emmanuel Bautista has vowed to defend Filipino fishermen against any "terror or intimidation" in the West Philippine Sea (South China Sea). In an interview with the Associated Press, Bautista said Chinese claims to islands just off the Philippine coast are "of course absolute nonsense." "Just take a look at the map," he said.

"Our fishermen will continue fishing, assert their rights on those areas. They should go on with their lives as fishermen, not bow down to terror or intimidation. "To the best that we can, we will support them, especially if there is more aggression and unnecessary use of force," he added. Bautista said that decision risked angering China in the short term, but that it was the right course of action. "They are a big country, we are a small country," he said. "What can we do? Bring it to court, solve it through peaceful means."

Ayungin Shoal serves as a supply route from mainland Palawan to settlers in Kalayaan town in Pag-Asa Island. Kalayaan Mayor Eugenio Bito-onon Jr. said: "With its vast resources, who can prevent China from implementing its illegal reclamation projects in the region?" China claims Ayungin as part of its maritime domain, although it is located very near Palawan and within the territorial waters of the Philippines. In May last year, Chinese ships took up positions near Ayungin Shoal and only left the area after a series of typhoons struck the country. Since then, Chinese ships were seen in the area while sailing south or north, apparently on patrol.

China has been trying to occupy the Ayungin despite a detachment of Philippine Marines stationed on the grounded BRP Sierra Madre. Zhao, former ambassador to Liberia, replaces Ma Keqing whose tour of duty ended last December. Zhao worked at the Asia desk of the Ministry of Foreign Affairs of China, and his first ambassadorial assignment in Africa was to Liberia. At an Investiture Ceremony on Dec. 6, 2013, Liberian President Ellen Johnson Sirleaf admitted Zhao into the Humane Order of African Redemption, with the grade of Knight Great Band. The Philippines has filed a case against China before the arbitral tribunal of the United Nations Convention of the Law of the Sea (UNCLOS), challenging excessive claims in the South China Sea. China has refused to participate in the arbitration, insisting on bilateral discussions on the territorial dispute and calling on the Philippines to meet it halfway to jointly maintain peace and stability in the South China Sea.

Source: [The Philippine Star](#), 22 February 2014

Southern Air Defence Zone 'Crucial for China in Long Term

Establishing a second air defence zone - this time over the South China Sea - was in China's long-term interest, a senior People's Liberation Army researcher said yesterday. Senior colonel Li Jie, of the PLA Navy's Military Academy, said a senior US intelligence officer's remarks last week about China's intention to declare another air defence identification zone (ADIZ) were meant to deter China from making such a move. Captain James Fanell, director of intelligence and information operations at the US Pacific Fleet, predicted China would set up such a zone over the South China Sea by the end of 2015. China declared its first air defence zone late last year over the East China Sea, where it is locked in a territorial dispute with Japan over the Diaoyu Islands, known as the Senkakus by the Japanese. China demands all aircraft entering its zone identify themselves or face countermeasures.

Washington is very concerned about the tension developing in the South China Sea SENIOR COLONEL LI JIE A Pentagon spokesman said Fanell's comments were his own views. The statement came as US Army Chief of Staff General Ray Odierno visited Beijing, where he met PLA Chief of the General Staff General Fang Fenghui. Li said the Pentagon's distancing of itself from Fanell's remarks was tactical. "It's a typical US diplomatic strategy. Washington is very concerned about the tension developing in the South China Sea, which will relate to its strategic interests," he said. The establishment of another ADIZ over the South China Sea is necessary for China's long-term national interest." Li said it was too early to predict when the zone would be announced. International relations experts have said China does not intend to further upset its neighbours with another zone.

But tensions in the South China Sea are not letting up. The Philippines' military chief, General Emmanuel Bautista, on Tuesday pledged his forces would defend fishermen against any Chinese "terror or intimidation".

Fanell said China was training its military to be able to carry out a "short, sharp" war with Japan to take the Diaoyu islands or even the Ryukyu islands - a chain stretching to Okinawa. "We witnessed the massive amphibious and cross-military region exercise, Mission Action 2013, and concluded that the PLA has been given a new task: to be able to conduct a short, sharp war to destroy Japanese forces in the East China Sea," Fanell said. Such a war could be expected to be followed by a seizure of the islands in dispute, he said. Shanghai-based military expert Ni Lexiong said the drill was not an indication China had any plan to seize islands by force. "Both the PLA and Japan's Self-Defence Forces have come up with different island capture plans, which are just common exercises," he said.

Source: [South China Morning Post](#), 22 February 2014

TNI Chief to Visit China, May Meet Xi Jinping

Amid heightening tensions between Indonesia and its immediate neighbors, Indonesian Military (TNI) chief Gen. Moeldoko is slated to visit China in a journey that might include a meeting with Chinese President Xi Jinping. Moeldoko told The Jakarta Post that he was scheduled to meet Chinese National Defense Minister Gen. Chang Wanquan and People's Liberation Army (PLA) chief of general staff Gen. Fang Fenghui. He added that a meeting with Xi, who is also chairman of the Communist Party of China's Central Military Commission, was in the process of being arranged but had not yet been confirmed. "Our grand topic will be how to develop military cooperation between our countries," he said. Moeldoko, said Indonesia was eyeing China's robust military industry as a potential future partner. He added that the TNI, for example, could discuss and use Chinese weapons to complete its arsenal. Also on the list were efforts to create stability in the South China Sea. Moeldoko stressed the need to reach a favorable situation for everyone in the region.

China is claiming most of the South China Sea pitting itself against other claimants: Brunei, China, Malaysia, the Philippines, Vietnam and Taiwan. China also claims parts of Indonesia's Natuna Islands. Commenting on the planned visit, international affairs scholar Yeremia Lalisang said Indonesia should consider each step carefully since Indonesia was respected in the region and had played role as an honest broker in the South China Sea row. He said that other countries could interpret the visit as Jakarta forging an alliance with Beijing. "With its current position, such a visit will not be seen [by other countries] as 'business as usual'," he said. "Since Indonesia allowed Chinese warships to pass through its waters after a military exercise near Australia, the visit will be interpreted as further evidence of Jakarta and Beijing's closeness."

A closer China-Indonesia military tie is seen as a possible threat to the interests of the US and its allies, such as Australia and the Philippines. Therefore, Jakarta should carefully consider the implications of the visit, Yeremia told the Post. Meanwhile, University of Indonesia international affairs expert Edy Prasetyono said the visit should not be seen as a threat by other ASEAN countries. "Instead, Indonesia is in a position to assure China that it cannot always be in conflict with other ASEAN countries over the South China Sea issue: It will not be beneficial for China," he said.

“If China wants to be a superpower, it should realize that its interests are supposed to be global and the South China Sea issue is only part of it. There is no use being confrontational.” Edy also said that it was about time Indonesia formulated its relationship with China, saying both countries could be the region’s pillars, together with India and Australia.” He also called on the TNI to delve deeper in the potential defense industry cooperation with China.

Source: [The Jakarta Post](#), 22 February 2014

Defence Minister: Deadline for Maritime Security Strategy Must Be Met

Defence Minister Photis Photiou has stressed the need to meet the deadline set by the European Council for drafting the Maritime Security Strategy, which is June this year. Speaking at the informal meeting of EU Defence Ministers, earlier this week in Athens, he expressed the readiness of the Republic of Cyprus to contribute to efforts towards this direction, noting that the Strategy must be based on the UN Convention on the Law of the Sea and must provide a comprehensive approach to maritime challenges, with a view to protect the strategic shipping interests of the EU and its member states.

The conclusions of last December’s European Council were discussed during the first session. These conclusions will shape the CSDP agenda until June 2015, when leaders will revert to security and defence, according to a press release of the Greek Presidency of the Council. Ministers shared a positive assessment of the outcome of the European Council and called for maintaining momentum through concrete actions and tangible progress. Ministers addressed in particular the work towards a Maritime Security Strategy, rapid response, the support to capacity building of local and regional partners, and the development of a policy framework for more systematic and longer term defence cooperation within the EU, the press release said. Discussions on Friday focused on EU military operations, which remain at the heart of CSDP. Ministers first addressed the state-of-play and perspectives for the four ongoing EU military operations – EU NAVFOR Atalanta, EUFOR Althea, EUTM Somalia, and EUTM Mali – following briefings by the respective Operation Commanders. Ministers welcomed the tangible results achieved by these operations.

A separate session was devoted to the Central African Republic. The EU is actively involved in efforts undertaken by the international community to address the political, humanitarian, security and human rights dimensions of the crisis. The operation EUFOR RCA was established by the EU Council on 10 February and will be deployed as soon as possible with the specific purpose to protect civilians. Ministers were briefed by the United Nations on its assessment of the situation, and by the newly appointed Operation Commander for EUFOR RCA, Major General Philippe Pontières, on force generation and the state of preparation of the operation’s deployment. Ministers expressed concern at the situation in the Central African Republic and called for swift deployment of the EU operation. On the sidelines of the meeting, Photiou met with some of his counterparts from other EU member states, which whom he discussed, mainly issues of bilateral interest. He also met with NATO Secretary General Anders Fogh Rasmussen.

Source: [Famagusta Gazette](#), 22 February 2014

Australia Endorses 'Code Of Conduct' for South China Sea

Australian Foreign Minister Julie Bishop on Thursday voiced her support for the completion of a “code of conduct” aimed at reducing tensions amid China’s aggressive claim to almost all of the South China Sea. Bishop, who is on a visit to the Philippines, said she discussed the matter with her Filipino counterpart, Albert del Rosario. There have been heightened tensions between China and its neighbors — including the Philippines — because of disputes over maritime territory. Bishop said Australia favoured the push by the Association of Southeast Asian Nations (ASEAN) to craft a “code of conduct” to better manage the issues.

“In the case of the South China Sea, we support ASEAN objectives in concluding a code of conduct with China, and we hope that there will be some early progress on that,” she said. “We urge all sides not to escalate tensions,” she added. ASEAN has been trying for more than a decade to secure agreement from China on a legally binding code of conduct aimed at reducing tensions and the risk of violence in the South China Sea. Among ASEAN members are Brunei, Malaysia, the Philippines and Vietnam, which along with China and Taiwan, have claims to parts or all of the South China Sea. China claims almost all of the South China Sea, even up to the borders of its neighbors. Bishop stressed that her country was not taking any side in the dispute and urged that all issues should be resolved “peacefully.”

Bishop said the South China Sea was a key interest to Australia since 60 percent of its exports and 40 percent of its imports passed through the area. The Philippines has been seeking more international support to challenge China’s claims to the South China Sea. Del Rosario said the Philippines had been forced to seek U.N. arbitration because it had “exhausted all (other) possibilities,” in arguing its case with China. He also said that the Philippines and Australia would be boosting their defense cooperation, especially since a “status of visiting forces agreement” between the two countries went into effect in 2012. Australia already provides military training and education and conducts “table-top” exercises with the Philippines but the agreement opens the door to actual joint military exercises in Philippine territory. He also thanked Australia for the extensive aid, including the dispatch of Australian troops, ships and aircraft, given to the Philippines after Super Typhoon Haiyan ravaged the central islands in November.

Source: [The Japan Times](#), 21 February 2014

Rail Guns, Lasers to Change Way U.S. Fights Wars

Some of the U.S. Navy’s futuristic weapons sound like something out of “Star Wars,” with lasers designed to shoot down aerial drones and electric guns that fire projectiles at hypersonic speeds. The navy plans to deploy its first laser on a ship later this year, and it intends to test an electromagnetic rail gun prototype aboard a vessel within two years. For the navy, it’s not so much about the whiz-bang technology as it is about the economics of such armaments. Both costs pennies on the dollar compared with missiles and smart bombs, and the weapons can be fired continuously, unlike missiles and bombs, which eventually run out.

“It fundamentally changes the way we fight,” said Capt. Mike Ziv, program manager for directed energy and electric weapon systems for the Naval Sea Systems Command. The navy’s laser technology has evolved to the point that a prototype to be deployed aboard the USS Ponce this summer can be operated by a single sailor, he said. The solid-state Laser Weapon System is designed to target what the navy describes as “asymmetrical threats.” Those include aerial drones, speed boats and swarm boats, all potential threats to warships in the Persian Gulf, where the Ponce, a floating staging base, is set to be deployed. Rail guns, which have been tested on land in Virginia, fire a projectile at six or seven times the speed of sound — enough velocity to cause severe damage. The navy sees them as replacing or supplementing old-school guns, firing lethal projectiles from long distances.

But both systems have shortcomings.

Lasers tend to lose their effectiveness if it’s raining, if it’s dusty, or if there is turbulence in the atmosphere, and the rail gun requires a vast amount of electricity to launch the projectile, said Loren Thompson, defense analyst at the Lexington Institute. “The navy says it’s found ways to deal with use of lasers in bad weather, but there’s little doubt that the range of the weapon would be reduced by clouds, dust or precipitation,” he said.

Producing enough energy for a rail gun is another problem.

The navy’s new destroyer, the Zumwalt, under construction at Bath Iron Works in Maine, is the only ship with enough electric power to run a rail gun. The stealthy ship’s gas turbine-powered generators can produce up to 78 megawatts of power. That’s enough electricity for a medium-size city — and more than enough for a rail gun. Technology from the three ships in that DDG-1000 series will likely trickle down into future warships, said Capt. James Downey, the program manager. Engineers are also working on a battery system to store enough energy to allow a rail gun to be operated on warships currently in the fleet. Both weapon systems are prized because they serve to “get ahead of the cost curve,” Ziv said.

In other words, they’re cheap.

Each interceptor missile aboard a U.S. Navy warship costs at least \$1 million apiece, making it cost-prohibitive to defend a ship in some hostile environments in which an enemy is using aircraft, drones, artillery, cruise missiles and artillery, Thompson said. With a laser operating on about 30 kw of electricity — and possibly three times that in the future — the cost amounts to a few dollars per shot, Thompson said. The “Star Wars” analogy isn’t a bad one. Just like in the movies, the navy’s laser directs a beam of energy that can burn through a target or fry sensitive electronics. Unlike the movie, the laser beam is invisible to the human eye. The targeting system locks onto the target, sending a beam of searing heat. “You see the effect on what you are targeting but you don’t see the actual beam,” Ziv said. Other nations are developing their own lasers, but the U.S. Navy is more advanced at this point.

Source: [The Japan Times](#), 22 February 2014

Vietnam Joins Submarine Arms Race Amid South China Sea Tensions

Vietnam finally has a new weapon against China's aggressive maritime claims after receiving its first Kilo-class submarine from Russia on the last day of 2013. The submarine is the first of six 2,300-tonne Kilo-class submarines to arrive in Vietnam after the country signed a US\$2.1 billion deal with Russia in 2009. The submarines are likely to be based at Cam Ranh Bay, a deep water port located in southern Vietnam, Strategy Page said. The port was formerly used by the United States Navy during the Vietnam War and later became a naval facility for the Soviet Union.

A Kilo-class submarine is capable of carrying 18 torpedoes or SS-N-27 anti-ship missiles. The SS-N-27 can be launched underwater from the torpedo tubes and its range is estimated to be 300 kilometers. Combined with its quietness and Russian cruise missiles, the Kilo-class submarine is a very dangerous weapon against the surface combat vessels of the People's Liberation Army Navy operating in the disputed South China Sea, the report said.

Other nations such as North Korea, Iran and China have also imported Kilo-class submarines from Russia. China is said to have gone one step further, designing its own unlicensed version of the Kilo-class, known as the Type 41 Song-class submarine. Vietnam was able to purchase the Russian-built submarines at a relatively low price, and they may not be equipped with air independent propulsion which would allow non-nuclear boats to stay underwater for weeks at a time, according to Strategy Page. Tensions between Hanoi and Beijing center around the disputed Paracel and Spratly islands in the South China Sea, while Taiwan, the Philippines, Malaysia and Brunei also lay claim to the area.

Source: [Want China Times](#), 23 February 2014

Think Tank Examines South China Sea

China is building a national think tank on South China Sea research to boost the country's maritime power strategy and deal with looming maritime disputes. Established in October 2012, the Collaborative Innovation Center for South China Sea Studies, based at Nanjing University in Jiangsu province, is among the 14 national-level research projects prioritized and supported by the government since 2011. Hong Yinxing, chairman of the board for the center, said it was established to meet the country's strategic demand to safeguard maritime rights and interests, develop resources and energy, and promote regional peace and development. Covering 3.5 million square kilometers, the South China Sea is home to vast natural resources — including oil and gas — and gathers major international maritime routes. China said it has indisputable sovereignty over the South China Sea islands and their adjacent waters, including the Nansha Islands. Since the 1970s, several countries in the region have challenged China's sovereignty over the islands. The Philippines has hyped and exaggerated the disputes in recent years to fan regional tensions.

Hong, who is also Party chief of Nanjing University, said the complexity of the maritime issue has required the country's research sector to eliminate barriers among the subjects and agencies to improve efficiency. The center should also play a leading role in figuring out the key mid-and-long-term projects, and in building a cooperation mechanism to gather efforts from different research fields, the military and those agencies that need the information, Hong said.

Based in Nanjing University, the center has already attracted top researchers to conduct studies on a comprehensive range of issues regarding the South China Sea and to provide supporting information and policy advice. "The center will become a high-end think tank for South China Sea policymaking, a dialogue platform for international communication, and a training center for outstanding talents on maritime affairs," Hong said.

The university has a long history of studying the South China Sea. It helped the then-Kuomintang government decide on maritime borders in the sea and give Chinese, English and French names to the various islands in the 1940s. The university has cooperated with other research agencies in providing more comprehensive information on the South China Sea than any other think tank. The center has built cooperative relationships with counterparts in Taiwan that have abundant historical documents on the sea. The center has also worked with counterparts in countries such as the United States. So far, the new think tank has accomplished a range of studies, including examples of joint maritime development, law enforcement, and international arbitration case regarding the Philippines. Hong said the center has built up a new model of think tank that is devoted to basic research but will respond to the country's emergency strategic demands. It is also pushing forward the exploration of translating its scientific research into market products.

Skills shortage

The tough prospects for China's maritime sovereignty have raised concerns over the national shortage of qualified maritime-affairs personnel skilled in international dialogue and cooperation. Hong said one of his center's top goals is to cultivate interdisciplinary experts on maritime affairs to address urgent issues, including the protection of rights and interests, resource development and international liaison. The center has added 41 PhD tutors and 12 divisions for cultivating postgraduates. It plans to cultivate some 100 doctoral students and 300 master's-degree students within four years. "The training is no longer geographically dispersed, and the number of trainees has grown rapidly," Hong said. "The new cultivation style gathers maritime talent in different subjects and sciences, prompts them to learn from each other, facilitates brainstorming and then gives a boost to the integration and comprehensiveness of research. This is something unimaginable in the past.

"Hong said as one of the urgent tasks for the center is collecting evidence to safeguard China's rights and interests in the South China Sea, and the center is building a comprehensive database of information for this purpose. Although other institutions have already built databases to gather documents related to maritime studies, establishing a comprehensive database of fundamental information is of great urgency for Chinese researchers. The center has obtained 30,000 documents from a range of institutions. Two atlases have been compiled, including geological information and detailing the evolving situation in the area. The center has also effectively promoted China's research regarding the sea, and a senior expert also lauded its contribution to the industry. Wu Shicun, president of the National Institute for South China Sea Studies, said Chinese think tanks traditionally place more emphasis on historical studies than legal studies, and the aging of scholars is also a problem.

"With such serious challenges in the maritime situation, the center functions as a national think tank and is capable of integrating resources and addressing challenges, which is of huge significance," Wu said. The center will facilitate China's ambition of having a bigger say in the world as well as its public diplomacy, and it is expected to reduce the waste of research resources, Wu said. According to Hong, in a bid to build the center into a leading national-level think tank, the center will facilitate its exchanges with top overseas think tanks to learn from their advanced methods of working.

Source: Ecns.cn, 24 February 2014

China, Vietnam Vow More Substantial Progress in Joint Maritime Cooperation

For his part, Nhan said the Vietnamese side will work with China to fully implement the consensus they already reached, and promote their maritime, onshore and financial cooperation to score more concrete achievements. With regard to the China-Vietnam relations, Li spoke highly of the "positive progress" the two countries have made. He said China will handle relationship with Vietnam from a strategic view, and work with it to promote a sound and stable development of bilateral ties. Nhan said the Vietnamese party and government attached high importance to relationship with China, which is a priority of Vietnam's foreign policy. China's development provides opportunities for Vietnam. He also vowed to further enhance bilateral exchanges on national governance and promote development of bilateral ties. Chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) Yu Zhengsheng also held talks with Nhan on Sunday.

Source: Xinhuanet.com, 25 February 2014

Philippines to Acquire Jet Fighter Squadron from South Korea

The Philippines will be acquiring a squadron of FA-50 jet fighters from South Korea's Korea Aerospace Industries. The deal would beef up the country's military capabilities which will cost \$422 million. Defense Undersecretary Fernando Manalo, a retired Philippine Air Force (PAF) general, told the press. "I will say that, yes, we can now boast a little about our capability. I will not be ashamed to accept & help; that we are back to the supersonic age," Philippines will be expanding its capabilities to defend its border over China's expansion in the South China Sea. China claims 90 percent of the South China Sea's 3.5 million sq km (1.35 sq miles) waters. Brunei, Malaysia, the Philippines, Vietnam and Taiwan also have claims, to at least parts of the sea.

Source: gantdaily.com, 24 February 2014

India, China to Hold War Games and Strengthen Maritime Security Cooperation

India and China agreed on a slew of measures, including holding of joint Army exercise this year and strengthening maritime security cooperation while maintaining peace and tranquility on the dispute border. At the 6th annual defence dialogue here, the two sides discussed increasing the number of interactions between them at multiple levels along with the setting up of hotlines between the two Armies at brigade, corps and command levels along with a similar setup at their respective Army headquarters.

Deputy Chief of China's People's Liberation Army (PLA) Lt General Wang Guanzhong met the defence secretary RK Mathur for the defence dialogue in the South Block, which houses the ministry of defence.

During the meeting, which lasted for two hours, both sides decided on a number of measures for exchanges and interactions between their militaries in 2014. The defence ministry said both sides have agreed to have hotline at the Brigade-level, instead of Director General Military Operation (DGMO), as there is no DGMO-level rank officer in the PLA. The talks covered taking steps to increase confidence building measures between the two forces in the light of the signing of the Border Defence Cooperation Agreement last year to avoid repetition of incursions by Chinese troops in the Depsang Valley in Ladakh region.

"India, China agreed to hold border personnel meetings at places other than existing three locations. Also, issues like tailing of each other patrol vehicle and holding military exercises at tactical level on border was discussed," said a senior ministry of defence official. At present, three places are earmarked for Border Personnel Meetings for flag meeting i.e Chishul (Leh), Nathula (Sikkim) and Boomla (Arunachal Pradesh). Indian side believed to have proposed two more site for flag meeting. Other agreed measures include strengthening of maritime security cooperation between navies, officer exchanges and professional interactions at various levels of all services and exchanges in the areas of peacekeeping, counter terrorism and humanitarian assistance and disaster relief.

"Year 2014 has been designated as the year of friendly exchanges between the two sides to foster mutual trust and understanding between the two miliary," the officer added. Last year, there were over 150 incidents of incursions and face-off between the two armies while patrolling. In April, a PLA platoon level patrol team intruded 18 km into Indian territory in DBO in Ladakh.

Source: dnaindia.com, 25 February 2014

Boosting of Pak Naval Capabilities

THE Senate Standing Committee on Defence has expressed its satisfaction over Pakistan Navy's operational preparedness and assured full support for its future plans for safeguarding the economic interest of Pakistan in Indian Ocean and making maritime defence impregnable. The Committee headed by Senator Mushahid Hussain Syed visited facilities and installation of the Navy at Karachi and coastal areas of Balochistan for three days.

Pakistan Navy is facing the daunting task of safeguarding the maritime boundary of the country and has to ensure that our trade routes were kept open during any crisis. It has many challenges but the officers and sailors are committed to confront them with professional competence. In our immediate neighbourhood, India has seven to eight submarines including the nuclear powered INS Chakra, two aircraft carriers in addition to over 20 other battleships. That gives India the ability to project naval power in its near abroad as well as in its extended neighbourhood. It has also bought P8I aircraft that brings into this region a capability that has not existed before.

Another capability the Indian Navy quietly added earlier this year was a dedicated communication satellite that provides the navy to keep watch in its areas of interest in the Indian Ocean and beyond. Certainly Pakistan Navy is alive to the challenges and Chief of Naval Staff Admiral Asif Sandila had recently stated that they are keeping their eyes and ears open to any misadventure and to emerging challenges in the region. The Pakistan Navy has different plans which need to be supported to counter the emerging threats. In addition to defence of our sea frontiers, the Pak Navy is extending medical and educational facilities in the coastal areas of Balochistan and has earned enormous goodwill of the local population. Now that the members of the Senate Defence Committee have been fully briefed about the maritime environment that the Navy has to deal with, we hope that the elected representatives would advance the case of Pakistan Navy to boost its capabilities.

Source: pakobserver.com, 25 February 2014

Brazil Presses EU for Undersea Cable to Skirt U.S. Links

Brazilian President Dilma Rousseff pressed ahead on Monday with plans to lay an undersea communications cable directly to Europe to reduce Brazil's reliance on the United States following reports that Washington spied on Brasilia. At the annual EU-Brazil summit, Rousseff is seeking to define financing for the \$185 million project that could be in place next year in an effort to shield Brazil's Internet traffic from U.S. surveillance, EU and Brazilian officials said. "We are working on the financial architecture for a fibre-optic link that would be a direct connection between Brazil and Europe," said one official as Rousseff arrived in Brussels for talks with the presidents of the European Commission and European Council. Rousseff postponed a state visit to Washington last year in protest at the U.S. National Security Agency spying on her email and phone.

EU leaders are sympathetic to Brazil's call following the revelations of fugitive former NSA contractor Edward Snowden that showed the agency also eavesdropped on German Chancellor Angela Merkel's mobile phone and some EU institutions. Brazil relies on U.S. undersea cables to carry almost all of its communications to Europe. The only existing cable between Europe and Brazil is outdated and only used for voice transmission. "As far as cyber is concerned, we share a common interest in a right balance between privacy and openness on the Internet," European Council President Herman Van Rompuy said as he received Rousseff, but did not directly refer to the cable project. U.S. President Barack Obama has since banned spying on the leaders of close allies, but trust has been damaged.

Brussels is threatening the suspension of EU-U.S. agreements for data transfers unless Washington increases guarantees for the protection of EU citizens' data. Another official, who declined to be named, said the Brazil-EU plan is part of the wider discussion for the "preservation of the Internet as a space for freedom of communication, managed transparently with full respect of individuals." Under current plans, a joint venture between Brazilian telecoms provider Telebras and Spain's IslaLink Submarine Cables would lay the communications link. Telebras would have a 35 percent stake, IslaLink would have a 45 percent interest and European and Brazilian pension funds could put up the remainder. One official said Brazil's overall stake in the project must be over 50 percent and so Brazilian funds will put up more than European ones. (Additional reporting by Tony Boadle in Brasilia; Editing by John Stonestreet).

Source: Reuters, 24 February 2014

Philippines Condemns Beijing's Use of Water Cannon on Fishermen in South China Sea

The Philippines protested strongly against Beijing's use of a water cannon on Filipino fishermen in the disputed waters of the Scarborough Shoal, warning the incident would escalate tensions. Scarborough Shoal is a group of tiny, low-lying rocky islets off the east coast of Luzon, the main island in the Philippines. It is within the Philippines' 200 nautical mile exclusive economic zone, but is claimed by Beijing, which calls it Huangyan Island. It is known in the Philippines as Panatag Shoal or Bajo de Masinloc. Beijing's charge d'affaires in Manila, Sun Xiangyang, was summoned on Tuesday to "strongly protest the efforts of China to prohibit Filipino fishermen from undertaking fishing activities in the Philippines' Bajo de Masinloc", said Raul Hernandez, the foreign ministry spokesman.

Hernandez said the fishermen were merely seeking shelter in the area due to inclement weather. "We call on China to respect our sovereignty and rights of our fishermen in the area," Hernandez said. "These actions, these incidents, surely escalates the tension in the area. And this further threatens the peace and security and stability in the region." Beijing rebuffed the complaint, saying Chinese ships patrolled the region to protect China's sovereignty and ensure "normal order". "China does not accept so-called representations or protests from the Philippines," foreign ministry spokeswoman Hua Chunying said.

"For foreign ships in these seas, Chinese ships have been carrying out necessary management appropriately and reasonably," she added. "We demand that the relevant country earnestly respect China's sovereignty, and not provoke any new incidents." Since the beginning of the year, Beijing has required foreign fishing boats to get approval before entering waters that it claims for China. On January 27, a Chinese coast guard tried to drive away Filipino fishermen from Scarborough Shoal by using a water cannon, General Emmanuel Bautista, head of the Philippine military said on Monday.

Beijing claims about 90 per cent of the South China Sea's 3.5 million square kilometres of water. The sea provides 10 per cent of the global fish catch, carries US\$5 trillion in ship-borne trade a year and its seabed is believed to be rich with energy reserves. Taiwan, Malaysia, the Philippines, Brunei and Vietnam also claim parts of the sea. Philippine President Benigno Aquino said he would seek clarification from Beijing of "what this incident was all about". "We are not sure, at this point, if we can call it their standard operating procedure," the president said. The Department of Foreign Affairs said there were nine harassment incidents in the same area last year. Manila has urged the Association of Southeast Asian Nations to conclude a binding code of conduct with Beijing to avoid accidents and miscalculations in the disputed waters.

The Philippines has taken its dispute with Beijing to arbitration under the UN Convention on the Law of the Sea but Beijing is refusing to participate in the case. Beijing has rejected challenges to its sovereignty claims and accused the Philippines of illegally occupying Chinese islands in the seas and of provoking tension. This month, the commander of the US navy said the United States would come to the aid of the Philippines in the event of conflict with Beijing.

Source: [South China Morning Post](#), 25 February 2014

Somalia: European Union Shares Counter-Piracy Knowledge with Tanzanian Maritime Authorities

European Union counter-piracy operation Atalanta and EUCAP Nestor, the civilian-led Maritime Security Capacity building EU Mission, hosted two training sessions for Tanzanian Maritime Police and Navy in Dar es Salaam to share knowledge and experiences in fight against piracy in the Horn of Africa and Western Indian Ocean region. The practical trainings held on board the EU Naval Force flagship, FS Siroco, were carried out by experienced trainers and dealt with typical piracy related situations. Such trainings are regularly carried out during port visits of EUNAVFOR ships and are often embedded into trainings held by EUCAP Nestor. These trainings dealt with inspecting suspicious skiffs, detaining suspected pirates and collecting evidence for their possible prosecution.

"I am very pleased to see how much EU Naval Force can rely on Tanzanian Navy and also maritime Police Forces for counter-piracy in Eastern Africa as Tanzania is a key partner for Atalanta", the Force Commander of EU Naval Force, Rear Admiral Hervé Bléjean stated. "This common view with Tanzania regarding piracy issue is really important in order to set up the conditions for a safe and secured maritime environment in the area. The new joint training involving, Tanzanian Navy and Maritime Police Forces, which was performed by FS Siroco today, shows the EUNAVFOR will reach the best cooperation level with these authorities, building up a confident partnership with Tanzania", he added.

Comprehensive approach of EU

As part of the European Union's comprehensive approach to secure the waters in the Horn of Africa and Western Indian Ocean, the strengthening of maritime security capacities through trainings and experience-sharing with local authorities plays a vital role in combatting piracy in the region. The EU is committed to combating Somali-based piracy and Tanzania is an important partner in strengthening the regional maritime security through sharing maritime awareness. EUCAP Nestor, present in the region since September 2012 and in Tanzania since December 2013 through a liaison officer, is currently delivering a two weeks criminal investigation training to 8 Officers of the Tanzanian Maritime Police and 8 officers of the Tanzanian Peoples Defense Forces' Navy.

"Mentoring, advising and training are the core activities of EUCAP Nestor in the Horn of Africa region" said the Head of Mission of EUCAP Nestor, Etienne de Poncins, speaking about EUCAP Nestor's efforts in Tanzania and the region. "Our presence in Tanzania since December 2013 will make it easier to coordinate these activities and to plan and carry out trainings and workshops. We are excited to develop further partnerships with our partners here and are committed to deliver programs that will reinforce maritime security in the region as a whole."

EU missions in the region

EU Naval Force deters, prevents and represses acts of piracy and armed robbery off the coast of Somalia. EU Naval Force ships protect World Food Programme vessels delivering aid to Somalia and AMISOM shipping. EU Naval Force ships also contribute to the monitoring of fishing activity off the Somali Coast. EUCAP Nestor is a civilian mission mandated to assist countries in the Horn of Africa and the Western Indian Ocean region to develop and enhance their own maritime security. The mission also aims to develop land-based coastal police forces and judicial capabilities in the region.

Source: allafrica.com, 24 February 2014

U.S. Defense Chief Vows Continued Asia-Pacific Focus Under Tight Budget

Defense Secretary Chuck Hagel said Monday that the United States will downsize its military amid a tight budgetary situation but keep its strategic focus on the Asia-Pacific region. The Defense Department "will continue to shift its operational focus and forces to the Asia-Pacific," Hagel told reporters, revealing the basic thinking behind the department's proposed defense budget for fiscal 2015 from October. The U.S. Navy will review its overreliance on its fleet of littoral combat ships, Hagel said, against the background of China's growing military presence and North Korea's nuclear programs.

"We need to closely examine whether the LCS has the protection and firepower to survive against a more advanced military adversary and emerging new technologies, especially in the Asia-Pacific," Hagel said. He said the United States had planned to have 52 LCSs, or high-speed and stealth warships designed for missions such as mine sweeping and antisubmarine warfare, but will scale back the plan to 32 units. The Navy has already deployed an LCS in Singapore and plans to deploy another in Japan's Sasebo.

"This will be the first budget to fully reflect the transition" the Defense Department is making after 13 years of war in Iraq and Afghanistan, Hagel said. More details will be announced on March 4 as part of the full state budget plan being finalized by President Barack Obama's administration. Hagel said the department will seek "a smaller and more capable force" and plans to reduce the number of U.S. Army soldiers to 440,000 or 450,000, which U.S. media said would be the lowest level since before World War II, from the current 520,000. An Army of this size is "larger than required to meet the demands of our defense strategy," Hagel said.

The U.S. government will slash federal expenditures by \$1.2 trillion under a 10-year program that began last year with defense outlays accounting for around half of the total amount. Hagel said the austere budgetary situation could force the Navy next year to decide to reduce the global number of its aircraft carriers to 10 from the current 11. The carrier George Washington, currently deployed at the U.S. naval base of Yokosuka in Japan, would need to be decommissioned earlier if the department faces a severe spending cut request for fiscal 2016, Hagel said, citing the annual maintenance cost of \$6 billion.

Source: globalpost.com, 25 February 2014



SHIPPING



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Oil-Shipping Routes Lengthen

A tectonic shift under way in the global oil trade is increasing the average distance traveled by a typical barrel of oil. This is likely to push shipping rates higher and benefit shipping companies as well as shipbuilders. The U.S. energy boom is largely responsible for the shift, as sharply higher domestic production of oil and gas is moving the country off its perch as the world's largest oil importer even as Asian appetites for hydrocarbons continue to rise—a good thing for traditional U.S. suppliers, including Latin America and West Africa, who are finding ready customers (much) farther away. For consumers, longer voyages mean increased fuel costs and freight rates, as the availability of shipping vessels diminishes in line with the increased time tankers are booked to cover extended distances. A team of analysts from DNB Bank found the average sailing distance for the crude tanker of choice—the very large crude carrier, or VLCC, which measures around three football fields in length and can carry around 2.1 million barrels—reached around 7,500 nautical miles in 2013. That is roughly a third of the distance around the globe, and it is up 9% since 2010. “[I]t’s nearly three times longer from West Africa to China than to the U.S.,” DNB analyst Petter Haugensaid told *The Wall Street Journal*, citing the shift in traffic from West Africa as the biggest contributor to the rising average distance.

This is consistent with the tilting of the center of global oil consumption toward the East in what the International Energy Agency has called “a fundamental reordering of global oil trade over the coming decades.” China has already supplanted the U.S. as the world’s biggest oil importer on a monthly basis, and the U.S. Energy Information Administration projected in a recent report that China will be the No. 1 net importer for the full year in 2014 with an average of 6.6 million barrels a day versus 5.5 million barrels a day for the U.S. The IEA, a Paris-based energy watchdog representing oil-consuming countries, has estimated that the U.S.’s share of the overall global trade will decline from 27% currently to 15% in 2035, by which time it projects the global tanker trade will have increased by around 18% as average shipping distances lengthen. Robert Willmington, operations manager at IHS Maritime, a ship-tracking service, said the trend will be very consequential for the shipping industry, as it will increase freight rates and spur more build orders for VLCCs. Shipbuilders have already increased their rates for the large tankers by around 10% over the past six months, in line with a surge in orders, Mr. Willmington said. Better freight rates will also help charterers and operators recover from a downturn in the wider shipping industry that has been in the doldrums since 2008.

An examination of import trends for two of Asia’s largest oil consumers, China and India, highlights the changing trade patterns. China’s crude imports from its largest oil suppliers, including Saudi Arabia and Kuwait stagnated or declined in 2013, while imports from parts of West Africa, including the Republic of Congo, surged 32%, official data show. Similarly, India has diversified its oil sources, as it increasingly looks toward distant Latin America, which according to energy consulting firm JBC Energy, increased its share in the South Asian country’s imports to 20% last year from 10% two years earlier. This makes the region the second-largest oil supplier to India after the Middle East. Chinese imports of Latin American crude in the first nine months of 2013 rose 14% compared with the same period in 2011, JBC data show. “Faced with the loss of their historical export market on the back of the U.S. shale boom, Latin American producers have increasingly set their sights on Asia as an outlet for their production and met a ready market,” JBC said. India is raising Latin American crude imports even further this year, with supplies flowing in from Mexico, Columbia and Argentina—countries that hadn’t exported barrels to India on a large scale before last month.

The country is also taking shipments from other parts of America. Indian Oil Corp.530965.BY - 0.91%, for example, was India's first-ever recipient of Canadian crude oil late last year.

Source: [The Wall Street Journal](#), 17 February 2014

President Wants Enhancement of India's Ship-Building Capacity

Observing that only 10 per cent of the country's trade is carried out through ships carrying Indian flags, President Pranab Mukherjee today emphasised the need for stepping up ship-building capacity to make the country a major economic power. Delivering a convocation address at the Indian Maritime University (IMU) here, the President said 95 per cent of the country's trade by volume and 70 per cent by value is handled through the sea. "But only 10 per cent of our trade is carried out through Indian flag ships and our share of global seafarers is only six per cent", Mukherjee said. "If India is to emerge as a major economic power in future, it would require substantial stepping up in the out-turn of quality maritime personnel and addition of our ship-building capacity," he said. Noting that ship-building has the potential to generate enormous employment opportunities both in rural and urban areas, the President said the government was committed to strengthening the shipping industry.

"In the Maritime Agenda 2020 of the Government of India, a target of enhancing the share of Indian seafarers in international shipping from the current level of six per cent to nine per cent by the year 2015 has been envisaged," he noted. The President also stated he was aware about teething problems of the IMU, which is the youngest among the central universities in India, established by an act of Parliament in 2008. "There has been a high rate of turnover of faculty and administrative staff over the last five years. Many of the faculty positions are yet to be filled up," he said, adding he was, however, confident that the University has a bright future. "It is my fond hope that the IMU should aspire to become a centre of excellence in the medium term," he said. Union Minister for Shipping G K Vasan said more branches of IMU would be opened in Karnataka, Goa and Odisha.

Source: [Business Standard](#), 22 February 2014

Society for Spreading Maritime Awareness Amongst the Common Masses

Efthymios Mitropoulos, famously said "without shipping half the world would freeze and the other half will starve to death" thus highlighting the importance of shipping. About 90% of trade is carried by ships; this means the clothes that you wear, the petrol in your car and the food on your plate have all been transported at some point by the maritime sector. Thus shipping is the silent contributor touching our everyday lives in many different ways. The common man has a limited perception or appreciation of its influence and role as an essential element in terms of our country's overall development. To touch on these very elements and focus on the rich and diverse heritage of the maritime industry, Maritime Awareness Program Society (MAPS) a non-profit society was launched today. The esteemed members of MAPS will work towards the realisation of due credit, to shipping, for its role in the existence of mankind and contribution to the global economy.

With this noble objective of "Maritime Awareness" MAPS brings to you its first ever initiative Maritime Summit 2014. The MAPS steering members consists of shipping luminaries and is chaired by Sabyasachi Hajara, Ex Chairman Of SCI, and on the Board of Directors at Doehle Danautic India Pvt. Ltd. (DDI). The corporate members include Allcargo Logistics, Anglo Eastern Ship Management Pvt. Ltd, Bose & Mitra & Co, Doehle Danautic India Pvt. Ltd, Elite Mariners Pvt. Ltd, IRI Maritime & Corporate Services Pvt Ltd, Selandia Group, V.Ships India Pvt .Ltd, Wallem Ship Management Pvt. Ltd.

Shipping is the major contributor to globalisation and the second line of defence for India. With a gross tonnage of less than 1% of the world, India contributes 6 - 7% of the seafarers, to the global fleet. Shipping brings in 80% of crude into India without which Indian households would go without power. But for shipping with the present level of world economy and international trade, the planet earth would be uninhabitable by humanity in a matter of weeks.

One of shipping's biggest contributions is the tremendous boost it has given to world trade by bringing down the cost of shipping. For instance, the freight for a pair of shoe's getting manufactured in China and getting sold in USA for 250 dollars, may be barely a few cents. Thus it is a cost effective means of transport. Additionally shipping is also the greenest modes of transport. Shipping consumes only 45% energy and in terms of air emission only 40% that of rail transport, 15% that of road transport and well below 1% of that of aviation.

Awareness about maritime industry its underlying transportation system and new trends in leveraging the most cost effective medium of transportation, has to be the top most priority for not only private enterprises but also for public entities and government policy makers. Our country needs new minds to contribute to study, research & innovate on this sector.

Dedicated forums are the need of the hour to spearhead this charter and collaborate with industry experts, veterans and commercial organisations to create awareness on the medium. Dedicated study courses in educational institutions, skills and knowledge development programs and books on the maritime industry need to be introduced in our educational curriculum so that younger generations are made aware of its importance as well as pursue this as their career choice. This awareness is will lay the foundation for making maritime industry key to India's growth and rise as a global economic power hub.

On unveiling of the society, Mr. Sabyasachi Hajara, Ex CMD of the Shipping Corporation of India, Board of Directors at Doehle Danautic India Pvt. Ltd. (DDI) & Chairman of MAPS commented "The shipping industry has tremendous untapped potential and through this event our industry will receive the right exposure and public awareness. Shipping is still passing through a difficult phase. However since both world economy and international trade are expected to register higher growth in 2014 v/s a v/s last couple of years we expect the fortunes of shipping would also be better in 2014.

On this occasion Sudhir Vasudeva, CMD, ONGC commented "Upstream oil & gas industry is rapidly expanding towards the deeper sea, not only in India but globally. With this, the demand for shipping equipped with advanced technologies as well as trained manpower to provide services in challenging circumstances of high seas is also rising in tandem. Enhancing awareness among the shipping industry as well as investors about such upcoming areas by Maritime Awareness Programme Society (MAPS) will go a long way towards energy security of the country."

On this occasion R.S. Butola, Chairman, IndianOil also mentioned "Shipping services play an important part in IndianOil values chain. Shipping is the most economical and carbon-efficient way of transporting goods. It serves more than 95 per cent of global trade by carrying large quantities of cargo; cost effectively, cleanly and safely. These facts may not be known to many as the same is not widely publicized. Maritime Awareness Programme Society (MAPS) will do yeoman service in projecting the right image of Maritime Industry, address important issues of shipping and its role in global economy and environment."

MAPS wish to highlight the evolving and dynamic maritime sector in the best manner going forward. MAPS plans to make this an international body and during the Maritime Summit 2014, MAPS will endeavour to introduce the book "An Introduction to Maritime Industry- Focus on India" into school curriculum. MAPS aims to work collectively so that more individuals and companies can be exposed to the positive aspects and derive benefits from this industry.

Source: [The Times of India](#), 22 February 2014

Kenya Moves to Improve Efficiency at Mombasa Port

Kenya Ports Authority (KPA) and Trademark East Africa (TMEA) said they have developed a partnership program aimed at increasing capacity in container trade and improve efficiency at the East African country's Indian Ocean port of Mombasa. The project funded by the British and the Dutch governments to the tune of 53 million U.S. dollars comprises 10 components which include infrastructure and facilities improvement. "The funds will be utilized to mitigate on inefficiencies and improve capacity at East Africa's largest port and also support the setting up of future longer-term port operation improvements," TMEA CEO Frank Martsaet said during a presidential roundtable on the Mombasa Port Community Charter in Nairobi.

The Mombasa Port Community Charter spells out a number of broad goals, which include transforming the Mombasa port to a highly performing landlord port by 2016 and integration of all port community members systems into the Kenya National Electronic single window system by December. The Charter also aims at bringing together the port community to complement individual institutional service charters in addressing challenges that act as efficiency barriers. The move comes after Kenyan President Uhuru Kenyatta last year directed the clearing process at the port to be digitized in order to enhance efficiency.

Other directives were abolition of transshipment bond, removal of roadblocks along the Northern corridor, rationalization of weighbridges, abolition of scanning of transit cargo within the port and 24/7 hrs operational at port. Kenyatta directed that the multiple players in government involved in port operations be properly coordinated under the leadership of KPA's MD, who will have direct control over all operation. All customs decisions were also ordered to be made and finalized at the Port of Mombasa without further reference to Nairobi which has created delays in the pas. To unlock the trade potential of the Mombasa port corridor, Martsaet said KPA and other stakeholders have developed a Mombasa Port Community Charter to guide trade facilitation through the port for national and regional economic growth and prosperity.

Martsaet regretted that poor infrastructure, delays in cargo clearance and customs procedures at the port contributed to high cost of doing business along the transport corridor. He however acknowledged the ongoing infrastructure enhancement developments at the port which are bound to ensure increased capacity to handle growing volumes and associated demand for port services. President Kenyatta, who is expected to launch the Community Port Charter later this month, said the government remained committed to measures and projects that improve on productivity at the port of Mombasa. The president said the charter was timely as it augments the massive government investment in port infrastructural improvements and cargo handling equipment. "Am happy to note that port stakeholders came together and developed the port charter to increase efficiency of the Mombasa port corridor," he said.

Source: ShanghaiDaily.com, 22 February 2014

Ship-building Industry Expects Demand to Rise

The ship-building industry may be set for a turnaround. A consultant that tracks the global shipping industry reports 153 large new cargo ships were ordered last year. That's a 76 percent increase from the previous year. The surprising growth is in contrast to the slowly recovering global economy. Tay Linsiau has been working in the shipping business for 13 years. The Singapore-based company ordered four new ships this year after years of suffering through a declining market. Tay says 35,000-ton ships like the model in his office are now too small to be efficient cargo carriers.

"For the kind of ship that we ordered, 64,000 tons, they are actually cheaper than the ones that people started ordering in mid 2000, which are smaller at 57,000 tons. Because it's cheap, if they don't have any cargo or they don't have any use for the vessels later on, they can find some way to re-let the vessels or to sell them," Tay said.

The Danish company DSF invests in building ships and it says that the cost to build a new ship fell to a ten-year low of about 1,400 U.S. dollars per ton last year. Meanwhile, Barclays Group in Britain is predicting a 5.8 percent increase in cargo volume to be shipped this year. That means demand for cargo volume will exceed shipping capacity for the first time since the economic crisis began in 2008.

"The best situation I can say is that freight rates are not declining any further. Many people believe that this is it, that we've already hit the bottom. So the only way to go is up," Tay said. In addition, the Chinese government is paying 1,500 yuan per ton to ship owners to encourage them to scrap ageing ships. The move is part of a campaign to reduce excess shipping capacity. One analyst says that replacements for the older vessels will stimulate demand for new ships. "Given that they were built mostly in the 1990s, and are almost 30 years old, when they are retired, the demand for new ships will be substantial. A lot of ship breaking operations in Guangdong, Jiangsu and in north China, are now fully occupied breaking up the old ships," said Yao Tuan, from International Register of Shipping Company. Chinese regulations say that cargo ships can serve no more than 33 years. About 2.5 million tons of Chinese ships were retired last year.

Source: CCTV.com, 24 February 2014

Panama Canal Delays will Disrupt LNG Trade

Wood Mackenzie expects lengthy delays to the anticipated Panama Canal expansion to impact the liquefied natural gas (LNG) industry. Significant disruptions will limit profitability for US LNG producers and create a tighter shipping market. The research firm expects the recent cost overrun disputes surrounding the canal expansion to be resolved with limited disruption, due to the significance of the Panama Canal to global trade.

Comments

Commenting on the impact of the delays, Andrew Buckland, Senior LNG Shipping Analyst at Wood Mackenzie, said: "Given the enormous strategic and financial importance of the Canal to Panama, we expect the gridlock to be resolved. If the delays last 6 – 12 months, it will have limited impact, as trade will carry on much as it does now, but further delays threaten the investments of a significant number of groups that are set to benefit from expanded capacity on the waterway." The expansion of the canal will benefit users depending on the position of their ports in relation to the Panama Canal, particularly the US, whose cargo accounts for 65% of total cargo moved through the canal.

LNG impact

LNG is not currently traded through the Panama Canal as most LNG vessels are too wide to fit through the locks. The expansion project will allow all but the very largest LNG ships to use the Panama Canal. A delay until early 2016 will impact the first US Gulf LNG exports from Sabine Pass. This will impose a higher shipping cost to target markets in Asia, as ships will need to take a longer route via the Cape of Good Hope. However, the differential between US and Asian gas prices will still make the trade profitable and initial volumes will be small as the project ramps up. The LNG shipping market will be tighter (with higher spot-market freight rates) than it would otherwise have been, as volumes from Trinidad and the USA will have to travel a further distance to Asia. The LNG shipping market is expected to weaken between now and 2016 as new ships are delivered to the market before new capacity comes on-stream.

Source: LNG Industry, 25 February 2014

National Shipping Board Proposes Indian Maritime Service

The National Shipping Board has sent a proposal to the Union Shipping Ministry for introduction of an Indian Maritime Service (IMS). A resolution was adopted here at the board meeting on Monday. The meeting was presided over by NSB Chairman PVK Mohan. Director-General of Shipping Gautam Chatterjee, Visakhapatnam Port Chairman RPS Kahlon, and others participated in it. The board recommended to the Ministry of Shipping to either constitute a committee or appoint a consultant to work out the modalities. The IMS will be on the lines of all-India services such as the IAS and IPS. The move is expected to help overcome the dearth of professional administrators in the shipping industry. After the meeting, Mohan said the board had approved the proposal to acquire two training-cum-trading vessels — one tanker and another bulk carrier — for on-board training of cadets. The ships, which will cost Rs 350 crore, may be acquired with a one-time grant-in-aid. He told presspersons that the vessels would be kept under the control of the Indian Maritime University.

He said the meeting decided to ensure strict compliance with entry rules by non-major ports and regretted that many non-major ports were not adhering to the rules. Stating that NTPC, RINL and other public sector majors had responded positively to the slew of incentives announced by the Centre to shift cargo from rail and road to coastal shipping, he said at present only seven to eight per cent of domestic cargo was being handled by coastal shipping. He said nine categories of industries including foodgrains, steel, cement and automobiles were making use of coastal shipping. He said of late PDS food grains were being transported from Kakinada to Kochi by coastal shipping instead of rail. He said India had not made much headway in coastal shipping and said it was expected that Visakhapatnam may emerge a gateway for coastal shipping for transporting cargo to Haldia/Kolkata and from there to Chittagong and other parts of Bangladesh.

Source: [Business Line](#), 24 February 2014



MARITIME ENVIRONMENT



- ❖ [Ballast Water Hurts Eco-system](#)
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Ballast Water Hurts Eco-system

The Sultanate will take steps to co-operate with regional and international organisations to protect the marine environment from the threats posed by ballast water. This was announced at a three-day international conference on Marine Invasive Species: Management of Ballast Water and Other Vectors, organised under the auspices of Minister of Interior Sayyid Hamoud Bin Faisal Al Busaidi. Thirty-five scientists and marine biologists from several international universities and organisations, including the Regional Organisation for the Protection of the Marine Environment (ROPME) and International Maritime Organisation (IMO) as well as several private and governmental agencies of the Sultanate are taking part in the conference which is discussing in detail the threats posed by ballast water. When ships dump ballast water before embarking on a port of call, several exotic species of marine organisms are released in the process and they can harm the natural ecosystem of the territorial waters of a nation.


The conference, which is organised by the Ministry of Environment and Climate Affairs with the cooperation of Canada-based Aquatic Ecosystem Health and Management Society, will explore avenues for greater cooperation at the local, regional and international level in minimising the danger, which has already caused environmental havoc in several parts of the globe. Speaking at the conference, which is the first of its kind in the GCC, HE Najeeb Bin Ali Al Rawas, Undersecretary at the Ministry of Environment and Climate Affairs, said his ministry is committed to safeguarding the environment and natural resources of the Sultanate. He also said the Sultanate would cooperate with regional and international organisations to protect the marine environment from the threats posed by ballast water.

Abdul Munim Al Janahi of ROPME said that proactive measures are needed to protect the fragile marine ecosystem of the region, which is being threatened by the spread of 'alien species'. According to reports of the environment ministry, three million tonnes of ballast water are dumped near the territorial waters of the Sultanate by visiting vessels.

Source: [Oman Tribune](#), 20 February 2014

Europe's Seas Under Threat

Many of Europe's marine species, habitats and ecosystems have been under threat for decades. As maritime economic activities are predicted to increase in coming years, a new briefing from the European Environment Agency (EEA) argues that the cumulative impact of human activity should be better managed to avoid irreversible damage to ecosystems. Many European industries have growing cumulative impacts on the sea, including transport, fishing, offshore energy and tourism. 'Marine messages' highlights the vulnerable nature of Europe's marine ecosystems, which may be irreversibly damaged if they continue to be exploited beyond sustainable limits. European countries need better information to help them understand the nature of these limits, the briefing says.



Hans Bruyninckx, EEA Executive Director said, “The rich life in Europe’s seas is an incredible asset. But we must ensure that this asset is used in a sustainable way, without surpassing the limits of what the ecosystems can provide. The current way we use the sea risks irreversibly degrading many of these ecosystems. Approximately two fifths of the EU’s population –206 million people – live in a coastal area, and 23 of 28 Member States have a coastline. According to analysis from the European Commission, also published today, Member States must make urgent efforts and improve cooperation for the marine environment to reach good status by 2020, a target under the Marine Strategy Framework Directive (MSFD).

Marine ecosystems are in a poor state of health in many areas, the EEA briefing says. There are more than 36 000 known animal and plant species in the European seas. Species surveys have found that ‘good environmental status’ can be applied to less than a fifth of species and a similar proportion of habitats. Different seas face different problems. Eutrophication is leading to oxygen-free ‘dead zones’ in the Baltic and Black Seas, while trawling has been most destructive of the seabed in the North Sea. The Mediterranean is under pressure from a range of factors, many of them related to fishing and tourism.

In the last 25 years, sea surface temperatures have increased approximately 10 times faster than in other similar periods during the previous century or beyond. These climatic changes are pushing many organisms northwards – for example some types of plankton appear to have moved 1,100km. However, it is not a single issue but the cumulative effect of different pressures which is most important, the briefing notes. And many of these pressures are connected. For example, higher temperatures also increase oxygen depletion, affecting marine life, while increasing CO2 levels in the atmosphere are acidifying the oceans, making it difficult for some animals to form shells. Together these changes may be disrupting whole ecosystems.

Nonetheless, there are also some encouraging signs. For instance, the available data shows some fish stocks climbing back to safe biological limits, and nutrient loads have been reduced in the Baltic and North East Atlantic. Europe is also making progress in designating marine protected area networks, which currently cover 6% of European seas.

Source: MarineLink.com, 20 February 2014