



The Fortnightly e-News Brief of the National Maritime Foundation

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#### MARITIME ENVIRONMENT



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# MARITIME EDITORIALS



#### **PMCS: The End or the Beginning?**

-Claude Berube

The National Intelligence Council's report 'Global Trends 2030: Alternative Worlds' released in December 2012 revealed trends, game-changers, and potential worlds that have relevance to maritime security. Two of the four mega-trends identified were individual empowerment and diffusion of power. Two game-changers will be a governance gap (or previously suggested maritime security shadow zones) and the potential for increased conflict. It suggests one potential future of a "Non-state World" in which non-state actors take the lead in confronting global challenges. If this is the future, where the power of traditional states erodes or collapses and individuals and illicit organizations are super-empowered, private maritime security companies could be far more employed than they have been in the past decade.

The quick rise of PMSCs in the past decade was primarily due to the threat of non-state actors—in this case Somali pirates operating off the Horn of Africa. Before the shipping industry responded to changes in its Best Management Practices and states began devoting more air and surface naval platforms to the region, individuals identified an opportunity in maritime security and formed companies. Whether they are mercenaries or entrepreneurs can be left to a discussion in the classroom or comments, but the reality is that the immediate threat to shipping was real and growing by 2006.

The companies themselves were analogous to dining in a large city. In the first category are the four and five star restaurants with superior ingredients and preparation, excellent service, but very costly. The second category includes standard restaurants. The third might be diners— affordable food, quick turn-around on service, and a dependable location. The last category is the street vendors. Because they have no infrastructure other than a mobile cart and they may not carry the best ingredients, but their costs are extremely low. However, there is a market for each of these categories.

The same has been true of PMSCs. Some are highly rated among the industry for the quality of their security personnel (such as former SAS and Navy SEALs), high-performance gear, and company infrastructure. These are the higher priced five-star restaurants. But as the industry emerged, it seemed anyone would join in if they had a cell-phone and an email address. Even experienced, qualified operators made attempts to form their own companies. Peter Cook, founder and director of the Security Association of the Maritime Industry (SAMI) suggested that this is one reason why the number of PMSCs has dropped in recent years as the number of

piracy incidents off Somalia have declined. "New businesses fail at a high rate," he said in a recent interview. "You have operators who might not have the business background necessary to administer all the paperwork that's involved in setting up and operating a maritime security company."

According to Cook, the number of PMSCs peaked in 2011 when eleven new PMSCs were applying every month for membership in SAMI. While there were an estimated thirty-five to fifty companies in 2010, SAMI now has about 160 members. The industry became highly competitive and very litigious. With some twenty to twenty-five percent of overcapacity in the shipping industry, shippers are trying to find ways to reduce costs and prices. When threats by Somali pirates resulted in far higher insurance rates, shipping companies reluctantly turned to protection from armed guards. At their height in 2008 to 2009, some PMSCs could charge \$5,000 per day for a four-man team; today that price is down to about \$3,500. Since, to date, no ship with an armed team has been taken by pirates, that investment has more than offset the potential of paying hundreds of thousands to millions of dollars in ransom.

Although some in the industry argue that incidents of piracy remain unreported or underreported in order for companies to avoid higher insurance rates, the fact is that Somali piracy has dropped precipitously. As a result, Cook notes, there has been a major consolidation of PMSCs. That is not to say they will disappear or their work will not expand. To the contrary, they will likely be more necessary in the coming decades for several reasons.

First, long-time state navies with global projection (such as European nations or even the United States) are likely to diminish in size and projection capability due to increased domestic funding demands. Second, increasing competition for scarce resources and changing demographics will lead to greater instability among underdeveloped nations, particularly those along coastlines. Third, greater need for energy will result in more off-shore oil and gas platforms (currently twenty-five percent of all oil and gas platforms are off-shore such as those in the Gulf of Guinea.) Fourth, as one presenter at a recent Naval War College symposium suggested, a greater need for food sources will result in aqua-farming areas. Simply put, less maritime security capabilities by states and an increased need for security will lead to a greater reliance on PMSCs.

What does this mean for the United States? Most importantly, the nation will have to work with the industry in ensuring it is regulated and accountable. With Somali piracy, the country – like many European countries – was opposed to the use of PMSCs or at least did not recognize them. Public officials and senior military now recognize the partial role they have played off the Horn of Africa. The industry has already begun to self-regulate internationally. Operators quickly share information with each other on the reputation of firms and which ones should be avoided. In addition, organizations like SAMI provide standards such as certifications as a vetting conduit between PMSCs and the shipping industry.

In the coming decades, maritime security will be far more complex. In the absence of sufficient state navies and coast guard forces, PMSCs may well be the only alternative to ensuring that platforms and regions have some semblance of security.

SOURCE: CIMSEC, 17th April, 2014

#### China 'Silk Road' Plan to Push Indian Ocean Ports, Trade Zones

- Ananth Krishnan

China's new initiative to build a "maritime silk road" to boost connectivity between the Asia-Pacific region and the Indian Ocean will prioritise building ports and improving infrastructure in littoral countries like Bangladesh and Sri Lanka, according to official reports.

China is also keen to establish free trade zones to boost its economic presence in Indian Ocean countries under the umbrella of the plan – a move that will reinforce China's deepening economic presence in the Indian Ocean Region and in India's neighbourhood.

Since the Silk Road plan was unveiled last year when President Xi Jinping travelled to South-East Asia, Chinese officials have highlighted the initiative as a key diplomatic priority for the government.

Nations ranging from Malaysia and Singapore to India, Sri Lanka and the Gulf countries have all been sounded out about the initiative. It has, however, remained unclear what the plan would actually entail. Officials are yet to detail specifics, beyond describing objectives as boosting maritime connectivity.

In the first official details about the plan, a State media report said a "priority" for the initiative was "port construction" and free trade zones. "The plan is expected to focus on infrastructure construction of countries along the route, including ports of Pakistan, Sri Lanka and Bangladesh," the official Xinhua news agency quoted the *China Securities Journal* as saying.

China is already involved in port projects in the three countries, in Gwadar, Hambantota and Chittagong. The report said that China hopes to "coordinate customs, quality supervision, e-commerce and other agencies to facilitate the scheme", as well as set up free trade zones.

China's southern provinces of Yunnan – which borders Myanmar and is at the centre of another economic plan to build a Bangladesh-China-India-Myanmar (BCIM) corridor – may be tasked with pushing the plan.

The initiative was first proposed by Xi when he visited South-East Asia in October last year. The plan was reinforced by Premier Li Keqiang, who also visited ASEAN

countries last year and announced the setting up of a 3 billion Yuan (around \$500 million) maritime cooperation fund.

The initiative, which will deepen Chinese economic and maritime links with both South-East Asia and Indian Ocean Region (IOR) countries, is being seen by some analysts as attempting to reframe regional anxieties about China's growing military and naval presence amid a number of disputes.

Zhou Bo, a strategic scholar at the Academy of Military Science, said in a recent article the "maritime silk road" may be a response to the "string of pearls" theory – a suggestion that China intended to build military bases in littoral countries, from Sri Lanka to Pakistan and Bangladesh.

Source: Hindu, 17th April, 2014

## **Dugm Could Become the Next Singapore**

- Robert D. Kaplan

A noteworthy geopolitical shift is emerging that the media have yet to report on. In future years, a sizable portion of the US Navy's forces in the Middle East could be spending less time in the Arabian Gulf and more time in the adjacent Indian Ocean. Manama in Bahrain will continue to be the headquarters of the Fifth Fleet.

But American warships and their crews, as well as the myriad supply and repair services for them, could be increasingly focused on the brand new Omani port of Duqm, located outside the Arabian Gulf on the Arabian Sea, which, in turn, forms the western half of the Indian Ocean.

A few years ago, Duqm was just a blank spot on the map, facing the sea on a vast and empty coastline with its back to the desert. Now, \$2 billion has been invested to build miles and miles of quays, dry docks, roads, an airfield and hotels. Duqm is a stupendous development that aims to be a logistical supply chain city of the 21st century, whose basis of existence will be purely geographical and geopolitical. Duqm has little history behind it; it will be all about trade and business. If you look at the map, Duqm lies safely outside the increasingly vulnerable and conflict-prone Arabian Gulf, but close enough to take advantage of the Gulf's energy logistics trail. It is also midway across the Arabian Sea, between the growing middle classes of India and East Africa.

For Oman, Duqm is key to nation building, as it will further link the south western Omani province of Dhofar and its port of Salalah with the ports of Muscat and Sohar in north eastern Oman.

For China, Duqm can be a trans-shipment hub for its consumer goods bound for the Indian subcontinent and East Africa — especially for the growing markets of Tanzania and Mozambique. In other words, container ships would arrive from China, and the containers themselves would then be off-loaded at Duqm for transport on smaller ships to various points in Africa, India and the Greater Middle East.

Salalah, farther southwest, already serves this purpose. But local officials maintain that there will be enough commercial sea traffic in coming decades to make Duqm viable as well.

The scale of development here is simply profound, attesting to the Indian Ocean's increasing geopolitical importance. I drove five hours across the desert from Muscat to reach Duqm.

Upon arrival, I saw a 4.5-kilometer main breakwater built of reinforced concrete octopods protecting the new port, which already features mobile and rail harbour cranes, as well as rail lines already laid for future gantry cranes. Sixteen ships from the Gulf Cooperation Council sat along the pier in preparation for a live exercise the next day.

Officials briefed me in front of a large and detailed scale-model of Duqm as they hope it will appear years hence: composed of fisheries, an oil refinery, a transit hub for petrochemicals, a rail link, mineral-based manufacturing, a desalinisation plant, a hospital, a mall, an international school, a town centre and a tourist zone. Obviously, the airport here will have cargo facilities. The runway, already built, is long enough to receive flights from Europe.

With 80 kilometres of virginal coastline allotted to Duqm, the new city-state could be larger than Bahrain or Singapore. And this is all just phase one — being built from scratch and inspired only by location on the map. The very fact of Duqm, as it exists and as it is envisioned, constitutes testimony to the fact that geography will be as important to the 21st century as it was to all previous ones. New natural gas discoveries in the desert to the rear should help service Duqm's energy needs, as a population of 67,000 is envisioned here by 2020. The new railhead will link Duqm to Muscat, Dubai and ports all the way north to Kuwait at the head of the Arabian Gulf.

If a rapprochement between the United States and Iran is achieved, Duqm will repair Iranian ships and be an offshore base for the burgeoning Iranian economy. If the rapprochement never materialises, Duqm will be a port of choice for merchant shipping companies that do not want their mega-ships diverted to the volatile Gulf region. Instead, they can make landfall here and potentially take deliveries of hydrocarbons by rail or pipeline from inside the Gulf.

To spur development, Duqm will have a new legal framework and will feature 100 per cent foreign ownership of local businesses. Foreign companies that invest here

will enjoy tax-free status and the ability to operate without currency restrictions, I was told.

Strategic geography for a port requires not just an advantageous location vis-a-vis the sea, but vis-a-vis land, too. And it is road, rail and pipeline connections from Omani ports outside the Arabian Gulf — Salalah and Sohar, as well as Duqm — to ports inside the Gulf, from Dubai to Kuwait, that potentially make this place so attractive.

If Duqm succeeds it will become a great place name of the 21st century, just as Aden was in the 19th and Singapore was in the 20th. Given continued demographic growth and the theoretical prospect for economic dynamism in India and East Africa — even as Europe hovers around zero population growth with stagnant, over-regulated economies — the Indian Ocean, as I have been writing for years, could become the geopolitical nerve centre of postmodern times.

The author is renowned American journalist and was included in the list of Top Global Thinkers. All the views and opinions expressed in the article are solely those of the author and do not reflect those of Times of Oman.

Source: Times of Oman, 21st April, 2014

#### South Korean Tragedy Shows Dangers Of Unregulated Sea Lanes

-Hu Bo

The South Korean ferry *Sewol* capsized and sank en route from Incheon to Jeju on April 16. This is the second shipwreck in offshore waters within six months in South Korea, stirring worries about maritime safety.

Maritime safety faces several kinds of threats - natural disasters or accidents like striking an iceberg, a reef or hurricane, human attacks including terrorist activities, assaults by pirates, warships or law-enforcement ships from other countries and secondary disasters, and operational failure by captains or sailors. The *Sewol* ferry sank within just two hours, probably because of the insufficient experience of the steersman.

Along with China's fast economic growth and accelerated pace of "going global," it has increasingly been relying on international seaways and has gradually become the biggest stakeholder in seaway safety. China has become the largest trader in goods in 2013, and more than 80 percent of goods are transported by sea. China is also one of the largest fishery producers. The Chinese people now enjoy a better and wealthier life, which has brought about rapid development in the yacht and pleasure boat industries. However, China's ability to ensure the safety of its seaways

has not kept up with the development of its overseas trade and maritime economy.

China should reinforce the strength and optimize the deployment of coastal surveillance and security forces. In offshore areas, China should continue to promote the ability to perceive different situations by sending ocean station vessels to conduct comprehensive field surveys on hydrology, submerged rocks and tide in peripheral waters, updating relevant data in real time and providing the latest navigation charts for all ships and ferries.

In addition, China needs to improve the number and quality of coast guards, and give full play to the coordinating role of maritime rescue centers. Effective military forces are critical around key seaways in high seas. China needs a 21st century-oriented maritime cooperation strategy, through which it can engage in full collaboration with other major coastal states like the US and share related information and intelligence.

China must also vigorously promote international cooperation in this regard. Maritime safety and freedom of navigation have turned into a conundrum of global governance. China lacks the ability and resources to guarantee its sea lines and overseas interests with military means, so collaboration is important.

Last but not least, China should beef up maritime management and education. Government departments should work jointly to introduce laws and regulations, streamline mechanisms and reinforce supervision in guaranteeing the safety of sea lines, with an aim to ensure carriers observe safety regulations in dealing with emergencies and improving crew members' professional ethics. The authorities in charge of foreign affairs, commerce and transportation should also enhance the training and education of both freight agents and shippers to minimize risks.

Source: Global Times, 22<sup>nd</sup> April, 2014

#### Sewol Doomed By Deep-Rooted Institutional Failures, Not Single Culprit

The sunken ferry *Sewol* has inflicted serious trauma on South Korea; not only because we couldn't save most of the victims, most of them high school students, but because of how we have sacrificed them. Numerous systemic issues which have been painfully revealed by this accident, certainly not the first of its kind, indicate there are critical issues throughout South Korean society.

Tracking down the fundamental causes of the tragic accident brings us chains of problems, from the loosening regulations allowing the owners of *Sewol*, Cheonghaejin Marine, to purchase a 19-year-old ship from Japan and to refurnish and expand, waived through safety checks, to the lack of safety drills for

passengers.

And at the moment the ferry began to sink, new sets of problems were exposed; a slow and chaotic initial response, unethical behaviour by the captain and some crew members who left the ship faster than anyone else, the false announcement that every single one of the passengers had been saved, inappropriate comments and behaviour by politicians visiting the site, the media race creating several false reports, and finally President Park Geun-hye calling the captain a murderer, throwing the entire blame on a single unethical person.

In reality, this kind of total breakdown of the crisis management results from systematic issues that get attention every once in a while but have never been fixed. The only thing that was "normal" in this accident seems to be the behaviour of those high school students who dutifully obeyed the "Don't move and stay still" order, which eventually led them into the cold, dark water. This devastated South Koreans. Throughout the accident we saw tragically familiar features - insensitivity to safety, the dodging of regulations and taking of the stance that "the ends justify the means."

As far as I can remember, I never participated in safety drills in South Korea throughout my school years, even during the time when I lived in a dormitory which had once burned down in the 1970s. I've never taken safety that seriously to be honest, thinking bad things would happen only if you're unlucky. I believe other South Koreans, especially those at the helm, didn't take such concerns seriously either. If they did, South Korea, technically still at war with North Korea and surrounded by water on three sides, would have been obsessed with safety concerns.

This is why we cannot just blame the captain and crew members, as 12 out 17 crew members in charge of the deck and the engine were temporary workers who were contracted for less than one year, a growing trend in South Korea. There are always unethical, irresponsible members in any society, like the captain, but there are also good people like 22 year-old crew member Park Ji-young, who died after saving others. Making a system that can prevent people from being irresponsible and protect aood people is evervone's South Korea has seen man-made disasters like this about once every 10 years. "Smaller" safety accidents happen even more frequently. There was an explosion in Ulsan, a coastal city in southeastern South Korea, recently which took lives of two workers, following several similar accidents last year.

We will have similar accident unless we realize once and for all that it is not mere misfortune anymore when similar accidents keep happening.

Source: Global Times, 24th April, 2014

## Courting Asia: China's Maritime Silk Route vs America's Pivot

-Yukon Huang

U.S. President Barack Obama's Asian tour is intended to revitalize his moribund pivot to Asia. That this strategic initiative is still alive despite the inevitable pull of events in the Middle East and Europe is attributable to China's claims over disputed islands, which have unnerved many in the region. This has opened the door for a stronger U.S. military presence in Asia while negotiations on the Trans-Pacific Partnership (TPP), which excludes China, provides some balancing weight on the economic front even if Congress has denied a fast-track approval process that would have facilitated an accord.

China cannot win the battle for regional sentiment so long as the debate is about security and sovereignty, on which Beijing's hard position leaves little room for compromise. Many see negotiations on the Regional Comprehensive Economic Partnership (RCEP) with the ASEAN Plus Six grouping as China's counterweight to the TPP in pushing the regional agenda towards more mutually beneficial concerns. Yet both of these endeavours potentially pale in comparison with President Xi Jinping's fanciful idea of reviving the "maritime silk route" during his October visit to Malaysia and Indonesia. This notion builds on the East Asia region's proven strengths in sharing production and deepening financial links while seeking to make greater use of the overseas Chinese communities in forging relationships to reduce tensions.

The movement of goods along the maritime silk route has a history of over two thousand years, reaching its pinnacle in the 15th century when the legendary explorer Zheng He led an armada of more than 300 ships and 27,000 sailors in voyages from China through Southeast and South Asia to the Persian Gulf. Today these same corridors play a vital role in supporting East Asia's unique production sharing network which brings components produced throughout the region to China for assembly and then onwards to final destinations in Europe and North America. Building on these links could help build more harmonious interactions throughout the region.

A sharp decline in transport costs along the contemporary maritime silk route allowed all countries in the region, regardless of their size and technological sophistication, to benefit from specialization and economies of scale by producing components rather than complete products. This is the major reason why East Asia has performed so well relative to the rest of the world. With rising labour costs in China, many ASEAN economies now stand to gain from future outsourcing of production. This combines with the trade deficits that China runs with most of its Asian neighbours — in contrast to its persistent surpluses with the West — to make it easier for China to be seen as an opportunity rather than a threat.

Because the membership base for the TPP is not the same as the regional production sharing network, the interests of the respective groupings are not necessarily aligned. Under U.S. leadership the TPP is pushing for the highest standards, with substantial attention being paid to issues that are often not seen as directly trade related, such as intellectual property rights and the rules governing state enterprises. Many participants are drawn to the potential for spurring structural reforms in being associated with such a group, but some are also motivated by the TPP as a counter weight to China's economic rise.

While the negotiating process remains closed, enough intelligence has seeped out to suggest that there is a sharp separation between the U.S, which is driving the process, and the other TPP participants on many of the major issues. This is especially striking regarding positions on intellectual property rights, investment guidelines, environment and rules of origin. Relative to the RCEP, which would likely be more open to accommodating economic diversity and keen to protect the workings of the production sharing network, vast differences in development levels among TPP members mean that the less advanced may be harmed by actions that could impede technology transfers while the more integrated may see the competitive advantages derived from production sharing networks eroded by restrictive rules of origin. This will lower the benefits that some studies have estimated will accrue to East Asian participants in the TPP.

Shifts in the pattern of capital flows will also affect economic relationships as China moves from being largely an absorber of funds to also a major provider. Some predict that within a decade as much as a hundred billion dollars will be leaving China annually in the form of direct investment and portfolio flows, with much of it targeted to Asia. This will help to make the Renminbi a global currency. Moreover, China's structural trade deficits within East Asia make it logical to use the Renminbi as a regional currency to settle trade balances before it begins playing a meaningful role in the rest of the world. History will be repeating itself as centuries ago Chinese copper coins were used as the medium of exchange throughout the maritime silk route, foreshadowing China's current ambitions to internationalize its currency.

The most challenging and uncertain endeavour, however, is what Beijing has in mind is building on the role that overseas Chinese have played historically played—and continue to play today—in Southeast Asia. About 32 million of the 50 million overseas Chinese reside in Southeast Asia, including PRC nationals who live abroad and ethnic Chinese who have assimilated into their host countries. They account for a preponderance of the wealth in a number of ASEAN countries and play key roles in the regional production sharing network, aspects of which are coordinated out of Hong Kong, Singapore and in Taiwan, blurring concepts of what constitutes overseas ethnic Chinese communities and their political status.

During its opening up decades ago when its legal environment for protecting foreign investment was undeveloped, overseas Chinese accounted for as much as two

thirds of FDI flows into China. They were able to leverage their identity, understanding of cultural norms and personal networks to mitigate some of the inherent risks that non-Chinese foreigners faced. Not surprisingly, Beijing now sees potential in having overseas Chinese play a reverse role in facilitating China's outward investment in Southeast Asia.

Overseas Chinese continue to exhibit an enduring cultural connection to China despite assimilating and naturalizing to host countries abroad. But they have gone through complex historical and political shifts that have complicated relations between China and these countries, and with other social communities within these countries. The role of the Chinese diaspora in influencing foreign policy is subject to diverse motivations but overall these relations have been largely passive. If they are to become more active in the future, the sensitivities involved need to be carefully managed and even then, whether such relationships can be turned into an advantage is questionable.

Beijing has attempted to exert strategic influence in the past on the overseas Chinese with mixed results. Wariness among many ASEAN countries toward China and ethnic sensitivities within countries where overseas Chinese occupy dominant roles in the local economy will likely limit the effectiveness of approaches with overt foreign policy objectives in mind. Most overseas Chinese do not share a bond with China beyond purely economic interests. Other local populations throughout Southeast Asia remain concerned about how greater engagement with China will benefit them directly and not just the diaspora. Such feelings are more extreme in countries like Vietnam and the Philippines but with varying gradations also a consideration in Malaysia, Indonesia and Thailand.

The challenge is reaching out to a broader range of communities and not relying only on the Chinese diaspora in Southeast Asia to facilitate China's outward flow of capital. This inevitably means that any major initiative or formal contact needs to be done under the umbrella of government-to-government shared interests which would provide a reassuring framework to encouraging informal and largely private contacts with overseas Chinese at the firm or individual level.

More inclusive interactions going well beyond the diaspora communities can help moderate regional tensions that have arisen from the territorial disputes and historical sensitivities. Such approaches would be given a huge boost in credibility if China and the countries concerned could agree on joint development of the disputed maritime resources while setting aside sovereignty claims. This would make it more likely that the concept of a revitalized maritime silk route could help promote more positive foreign policy outcomes within Asia. If so, this would also serve the ultimate interests of the U.S. and other Pacific parties in ensuring safe and open access to the major maritime corridors and moderating regional tensions.

Source: Diplomat, 25th April, 2014

#### **The Limits of Pacific Maritime Law**

-James R. Holmes

Around twenty Pacific navies met at the Western Pacific Naval Symposium in Qingdao and agreed to what participants are styling as a Code for Unplanned Encounters at Sea(CUES). CUES, like the Cold War-vintage INCSEA agreement between the United States and the Soviet Union/Russia, calls on mariners to forego provocative actions on the high seas and in international airspace, and to contact one another to clear up such misunderstandings as do arise. INCSEA is ironclad, as Russian forbearance toward the destroyer *USS Donald Cook* in the Black Sea proves.

But still stupid things happen. Any American seafarer, can relate a sea story or two about the dumb things he's seen done while underway. Always by the other guy, mind you. One of mine: in the Persian Gulf many moons ago, a dhow skipper with a death wish decided it would be fun to pass fifty yards or thereabouts ahead of a 58,000-ton battleship that was traversing a narrow channel and couldn't maneuver to avoid colliding. Imagine my relief when he reappeared on the other side of the ship after passing underneath the ship's high bow. 1100 hours: Crunched small craft while exiting Abu Dhabi harbor is not a deck-log entry any naval officer wants to write. Some CUES guidelines would have been welcome about then.

Such informal pacts are worth pursuing whenever feasible, and whenever it appears mariners will comply with them. They could smooth out problems at the margins, easing misgivings over time among Pacific fleets that operate at close quarters. But let's not break out the bubbly just yet. Rules of the road already exist to help vessels and aircraft steer clear of one another. Rookie U.S. Navy, Coast Guard, and merchant mariners learn to navigate and pilot by COLREGs, as do most seamen around the world. CUES, INCSEA, et al. largely duplicate existing rules. Rather than something new in marine safety, such agreements essentially represent diplomatic commitments not to provoke rivals.

So let's not delude ourselves into thinking these pacts will bring peace in our time. Consider China. Will Beijing foreswear its claims in the South China Sea, or in the East China Sea, simply because it assented to CUES? That would mean China's leadership attaches more value to avoiding trivial incidents at sea than to restoring national sovereignty, and China's place in the Asian order, as China's leaders and ordinary citizens construe it. If Beijing placed such weight on amity in the near seas, it would abide by the far more authoritative UN Convention on the Law of the Sea — an accord to which it subscribes, and which rules out such constructs as the nine-dashed line enclosing 80-90 percent of the South China Sea.

But it doesn't. And indeed, Chinese officers started walking back expectations vis-àvis CUES almost before the ink dried on the parchment. Bottom line, let's put euphoria about new nautical accords on hold until old ones are upheld.

Source: Diplomat, 28th April, 2014

#### The Indian Navy's 'China' Dilemma

Abhijit Singh

The Indian Navy's premier warship, *INS Shivalik*, has just completed a maritime exercise at Qingdao with the PLA-N and the navies of six other countries, including Pakistan. China's invitation to India to participate in its first ever multilateral maritime exercises, held alongside the Western Pacific Naval Symposium (WPNS) is an important landmark and, not surprisingly, it has drawn considerable attention with some views expressing it as "a new phase" in India-China maritime relations.

Media reports pointed to the intricate nature of the drills the Chinese had asked the *Shivalik* to participate in – an anti-hijacking exercise which also involved participation by a Chinese special forces unit; the 'genuine' curiosity on the part of senior PLA-N officers to know more about the Indian naval ship; and a Chinese Admiral's admiration of the authority vested in the *Shivalik*'s Captain who sailed without escort ships or supervising staff ('unimaginable' in China's military culture). So encouraging, in fact, has the Indian ship's Qingdao visit been that the Indian Navy has apparently conveyed its willingness to hold another exercise with the PLA-N this year – curiously, at the same time as it would be holding the Malabar exercises, an event that will involve the presence of the Japanese Navy.

These developments, counter-intuitive they are to the competitive 'logic' of the India-China maritime relationship, raise questions about the operational objectives and broader strategic calculations at play on both sides. Are the Indian Navy and the PLA-N in the process of recasting their relationship in more cooperative terms? Can there be an effective operational synergy on substantive issues of maritime security? And what, if any, are the long-term ramifications of the underlying strategic shifts?

To begin, it is important to see the evolving India-China maritime dynamic as part of a strategic complex. By itself, a country's invitation to another to participate in a multilateral naval exercise does not symbolise operational outreach. Maritime forces often come together for a regional or collective cause, and the Indian Navy and PLA-N are known to have collaborated in combating Somali piracy. Navies that supposedly share an indifferent relationship, however, rarely invite each other to participate in high-level multilateral drill in their coastal waters; which is what makes Shivalik's recent Pacific sojourn interesting.

The naval exercise at Qingdao, however, doesn't detract from the fact that the India-China maritime relationship is essentially an uneasy one - each side is uncomfortable with the other's presence in its own theatre of nautical influence, but both recognise the other's dominance in their respective maritime 'backyards'. Both

India and China deem it obligatory to make the right noises about maritime cooperation, but acknowledge the underlying competitive elements of the relationship. New Delhi last year formed a trilateral grouping with Maldives and Sri Lanka, in a seeming bid to underline its credentials as the premier security provider in the Indian Ocean. It also began a dialogue with Indonesia and Australia to do more for the security of the Indian Ocean – a euphemism, some would say, for minimising the role of extraterritorial powers. China, meanwhile, raised Indian anxieties by holding exercises with the Pakistan Navy in the Arabian Ocean, and suggestions of Indian Ocean bases.

Curiously, during the 17th round of Special Representative Talks in February this year, Beijing surprised New Delhi by proposing a grand maritime project called the 'Maritime Silk Road" (MSR). While the Indian envoy avoided a taking stand on the proposal, his willingness to endorse a 'structured maritime dialogue' led China to portray his reaction to the MSR as being 'positive'. Interestingly, only two weeks earlier when the PLA-N held a much-publicized PLA-N exercise on the eastern edge of the Indian Ocean (marked by the first deployment of the *Changbaishan*, China's largest landing-ship), New Delhi chose to ignore it, almost as if the occurrence were unworthy of official reaction.

There is a growing sense that a confluence of circumstances has compelled India into accommodating China's maritime interests in the Indian Ocean Region (IOR). In part, this is on account of New Delhi's inability to stem the flow of China's political influence into the region. In equal measure, if not more, it is attributable to the scale of Beijing's regional maritime ambitions. New Delhi has been overwhelmed by the enormity of China's maritime vision involving not just the Maritime Silk Route, but also the 'New Silk Road Project' - an economic initiative to develop regions along an ancient route connecting Western China with South and Central Asia. Beijing is categorical that each project has clear and substantial benefits for its partners in the Indian Ocean Region. The financial payoffs, however, entail a high strategic cost that impinges on regional maritime security.

The MSR is said to involve the construction of ports, logistical stations, storage facilities and free-trade zones. Its underlying principle is the leveraging of Chinese soft power, but more importantly, it enables China to project itself as a 'benevolent entity'. The idea, apparently, is to use the project's commercial returns to establish China's legitimate interests in the Indian Ocean. The benefits it offers - including a proposal for a 'maritime cooperation fund' announced by Chinese Premier Li Kechiang last year - only makes it harder for regional states to desist from signing up.

Interestingly, when President Xi Jinping's first made the proposal during his visit to Southeast Asia in October 2013, the MSR was meant to foster cooperation and goodwill between China and the ASEAN countries. China's subsequent outreach to

Sri Lanka and India, inviting them to join the project, revealed a broader vision spanning the entire Indo-Pacific region.

The promotional pitch of "shared economic gains" doesn't disguise the proposal's real purpose: ensuring the security of Sea Lines of Communications (SLOCs) in the Indian Ocean and Pacific. With its vast investments and resource interests in Africa, Beijing needs a secure Chinese SLOC from the East African coast, to the Southern coast of China. By default, if not by design, the MSR could end up setting up Chinese logistical hubs and naval facilities in the Indian Ocean, thereby raising Indian anxieties.

India's changed maritime perspective *vis-à-vis* China reflects an objective consideration of these new realities. China's growing economic relationship with individual IOR states, the considerable financial and diplomatic investment in Asia and Africa, and the vast infrastructure projects under construction, render an enduring PLA-N presence in the Indian Ocean, a near inevitability. More crucially for India, Beijing's considerable logistical and technological competence is matched by a commensurate political will and military strength to realize its grand vision.

Following the MH 370 incident, China has been the most active and engaged participant in the search effort, with over eleven naval and Coast Guard ships scouring vast tracts of the Southern Indian Ocean. As its maritime competencies grow, China's navy is bound to play a bigger role in the security of the Indian Ocean.

Not surprisingly, India's naval planners seem to have chosen to make a prudent compromise by dampening the naval competition, and upping the engagement with the PLA-N. Their main challenge, however, will be to continually hedge against China's maritime thrust in the IOR without provoking conflict. In its quest for strategic accommodation with the PLA-N, the Indian Navy will doubtless be aware of the need to strengthen its existing partnerships and preserve its stature as the preeminent power in the Indian Ocean.

Source: IDSA, 28th April, 2014

# **US, Japan to Boost ASEAN Maritime Security**

-Scott Cheney-Peters

There has been a mixed bag of steady progress and major agreements during the U.S. President Barack Obama's trip to Asia. As illustrated by the lack of a Trans-Pacific Partnership (TPP) framework agreement during Obama's Japan stop, comprehensive multilateral breakthroughs don't always align with the schedules of diplomatic travels.

But while the TPP's logjam received its share of publicity, another mooted initiative escaped much attention in the run up to Friday's U.S.-Japan Joint Statement, except for a tantalizing hint offered by the Yomiuri Shimbun. Citing unnamed sources, the paper said that Japan and the United States had developed a "plan" to help member nations of ASEAN to "strengthen their maritime surveillance capabilities," in a move "apparently aimed at pressuring China to curb its growing regional ambitions." The article went on to suggest that this plan would be unveiled during the Joint Statement.

In the event, the statement was short on details, stating in the third-to-last paragraph only that "The United States and Japan are collaborating to assist Southeast Asian littoral states in building maritime domain awareness and other capacities for maritime safety and security so that they can better enforce law, combat illicit trafficking and weapons proliferation, and protect marine resources".

It appears that the aim is two-fold: "preventing China's unilateral maritime advance," as sources in the *Yomiuri Shimbun* piece suggested, and more generally countering maritime crime, such as piracy and illicit weapons, people, and drug trafficking. At this point we can only speculate as to what the collaboration will entail in concrete terms, but the challenges are no mystery.

To the first of these goals, the challenge of providing assistance is largely political. Many ASEAN countries prefer not to risk antagonizing their large trading partner (and militarily powerful neighbor) by accepting overt "counter-China" aid. Two possible exceptions to this practice are the Philippines and Vietnam, both of whom were not surprisingly singled out in the *Yomiuiri Shumbun* article as the main recipients of U.S.-Japanese maritime surveillance assistance. Meanwhile, many other nations could receive aid ostensibly to boost their efforts against maritime crime. Much of the items under discussion – such as patrol boats and surveillance assets – could be of dual use, and resource protection efforts in the region's exclusive economic zone (EEZ) frequently take on tones of enforcing claims of territorial sovereignty.

This is not to say there isn't a real utility for regional cooperation focused on maritime crime. While incidents of piracy and robbery in the Strait of Malacca are down drastically from highs in the early 2000s, other areas near Singapore and Indonesia are generating record-breaking numbers. Yet, as if to warn against complacency in the former, last Tuesday pirates aboard speedboats hijacked a Japanese tanker in the Straits of Malacca and pumped out approximately 3 million liters of its diesel cargo before fleeing.

The details of the incident – three crew members were taken with the cargo – suggest an inside job, illustrating the *modus operandi* (M.O.) of criminals in the region, who also prefer to target tugs or ships at anchor, in contrast with their headline-grabbing counterparts in East and West Africa. Yet one should not think the

M.O.s or geographic hotspots will remain static. As Karsten von Hoesslin emphasizes in his work on Southeast Asian maritime crime, patterns of piracy and seaborne armed robbery are fluid and the crime syndicates are adaptable. In one example of a potential change, Kevin Doherty of Nexus Consulting, a private maritime security company that operates in the region, notes that "when criminals in the region figure [out] how to negotiate with first-world underwriters, the crew will be the prize, not a tug or cargo." Nor is the need focused merely on Singapore, as last year's invasion of Borneo by the so-called Sultan of Sulu exposed the porous nature of maritime borders between the Philippines and Malaysia, while illicit resource exploitation afflicts nearly every nation in the region and is exacerbated by the competing territorial claims in the South China Sea.

So with a continued need for counter-piracy and maritime law enforcement, it's worth looking at previous efforts to discern the challenges facing Japan and the United States in pursuing this second goal. Here again the barriers to providing substantive assistance are largely political. It bears remembering that several ASEAN members have territorial disputes not only with China but with each other too, and historical sensitivities over "settled" disputes chill the receptiveness towards joint patrols in each other's territories. Additionally, key nations like Indonesia and Malaysia have been wary of allowing those whom they perceive as "outside" actors to maintain a presence in their waters. When the United States proposed its ill-fated Regional Maritime Security Initiative in 2004, the two nations objected partly on the grounds that it would have brought American "special forces on high-speed boats" participating in joint patrols.

The two have also abstained from the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP). Upheld as a model of maritime information sharing, ReCAAP developed as a Japanese-led initiative and involves surveillance and incident-report coordination from 19 countries, including several European shipping states, fed to the purpose-built Information Sharing Centre (ISC) in Singapore. ReCAAP is credited with contributing to the decline in piracy in the Malacca Straits, although some have suggested that incidents may be underreported in order to bolster the ReCAAP's claims of success.

So what would further assistance from Japan and the United States look like? According to the quoted sources, "joint assistance ...would include provision of patrol vessels, help with training their coast guard members and other relevant personnel, and assistance with establishing a framework to share information between the countries regarding pirate boats and other suspicious vessels."

Some of this is already ongoing. Japan and the United States have been proactive over the past decade in providing counter-piracy training and equipment to the littoral nations of Indonesia, Malaysia, and Singapore. Additionally, Japan agreed to "donate" 10 patrol boats to the Philippines Coast Guard beginning in 2015, doubling its fleet, with a soft loan from Tokyo. Vietnam has likewise asked to procure patrol

boats from Japan, although continues rumors of an impending agreement have so far come to naught.

As for addressing the "framework to share information," or coordinated maritime domain awareness (MDA), questions revolve around the intelligence-sharing architecture and facilities. With regards to the architecture, who will provide inputs, how will they provide inputs, who will collate inputs, how will the data be disseminated, and who will receive the data? On one end of the spectrum, Japan and the United States could select and combine several of their own inputs and offer a data stream to any ASEAN state willing to receive it. On the other end, this could be augmented by several of the members' inputs in a two-way process. One approach could see the initiative develop a framework of tiered partners given access to different data sets depending on their sensitivities and own willingness to share.

For the aforementioned political reasons, however, maritime data-sharing is easier said than done, as demonstrated by the United States, Japan, and South Korea's difficulty in sharing such data among themselves. And this is just at the policy level – intelligence sharing intentions have to be supported by physical links and data protocols, trained personnel, and facilities. The Japan-U.S. initiative could stand up a new intelligence fusion center along the lines of ReCAAP's ISC, raising questions of staffing, hosting, and of course funding. Or, perhaps in the interests of unity and "breaking down stovepipes," it would be better to aim to integrate ReCAAP's existing structure, perhaps with a co-located annex to the ISC, and work to address the concerns of Indonesia and Malaysia so as to bring them on board. In any case, it will be interesting to see what solutions are put forward.

While President Obama's trip will was not without concrete deals with ASEAN members, notably the 10-year defense deal with the Philippines, his trip's most long-lasting outcome may be what develops from the vague words in the joint statement with Japan.

Source: Diplomat, 30th April, 2014



#### China's Efforts Are Seen as Hurting More Than Helping

When a Chinese government vessel took the world by surprise this month when it announced that it had detected underwater signals that might have come from the missing Malaysia Airlines plane, China suddenly looked like the hero of the multinational search effort. Within days, however, the Chinese claims were discounted, and attention shifted to another set of signals recorded by U.S. personnel aboard an Australian ship hundreds of miles away. Still, the Chinese claims have left some officials from the United States and other participating countries quietly seething. The announcement was only one in a series of moves by China that might have been intended to project competence, according to officials and analysts, but only served to distract and delay the search effort.

"Everybody wants to find the plane," said a senior Defence Department official who spoke on the condition of anonymity because he did not want to appear overly critical of the Chinese. But, he continued, "false leads slow down the investigation."

Most of the passengers on board Malaysia Airlines Flight 370 were Chinese citizens, so the matter became a top priority for China. Since the plane's disappearance on March 8, Beijing has deployed reconnaissance planes, more than a dozen vessels and, it said, 21 satellites in the search. Most of the ships in the current search zone, in the southern Indian Ocean, are Chinese. The mission has clearly been a prime opportunity for the Chinese government to demonstrate its determination and technological abilities to its domestic audience, and to improve on its response to Typhoon Haiyan in the Philippines last year, which was widely criticized as late and tepid.

"This is a chance for China to regain some of its lost prestige and show the world what it's capable of," said Jeff Kingston, director of Asian studies at the Tokyo campus of Temple University. "There's a lot of prestige on the line here." But the search has also brought China into sudden and close contact with regional competitors who have grown uneasy with China's rapid military expansion and its increasing willingness to project force across a broader portion of the globe. With regional tensions already high before the plane disappeared, China's rush to be first upset others involved in the search - not least because the Chinese turned out to be wrong.

In the first week of the search, China released satellite photographs purportedly showing wreckage in the South China Sea. The objects, however, turned out to be unrelated debris. The claim eventually elicited a rebuke from Malaysia's transport

minister that China had wasted the time of other nations looking for the missing Boeing 777-200.

On April 5, Chinese state-run news media reported that Haixun 01, a Chinese government search vessel apparently operating outside the zone designated that day by the search coordinators, had twice detected underwater signals that might have come from the missing plane's flight recorders. Photographs published by the official Chinese news agency, showed crewmen using a hand-held hydrophone intended for use in shallow water, casting doubt on the value of the claims.

Still, search officials sent the HMS Echo, a British vessel equipped with highly sophisticated listening technology, to verify Haixun 01's report. Several days later, Echo was quietly pulled from the area of the Chinese ship and sent to assist Ocean Shield, an Australian vessel also equipped with high-tech listening equipment that had detected four signals that search coordinators believed came from the plane's flight recorders.

The delay in deploying Echo to join Ocean Shield may have cost searchers the opportunity to record more signals and narrow the underwater search area, officials say. Willy Lam, a specialist in Chinese strategic policies at the Chinese University of Hong Kong, said that the lack of more sophisticated Chinese equipment was striking.

"According to the state propaganda, they are supposed to have sent the best they could muster, because it's national prestige at stake, and they face a lot of pressure from the victims' families," Lam said. "In spite of all the hoopla over China building an advanced military, they seem to have not much to show in this operation."

Several analysts said that Beijing was under intense pressure to show its domestic audience that it was not only in the forefront of the search effort but also the most productive. The international response to China's missteps might not have been so negative had China been less critical of Malaysia's handling of the investigation, analysts said. For weeks, the Chinese authorities and the state-run Chinese news media hectored the Malaysian government and demanded more transparency.

Despite China's clumsy execution, some analysts said, few observers question the government's commitment to finding the plane. "The scope, scale and expense of Chinese operations exceed anything that China has undertaken to date," said Jonathan D. Pollack, senior fellow in foreign policy at the Brookings Institution. "The Chinese are at least as intent on achieving definitive results as anyone else." "It's possible that this has led some Chinese personnel to reach premature judgments based on limited or inconclusive observations," Pollack said. "But this hardly seems unique to China."

Source: New York Times News Service 15th April, 2014

#### Russian Fighter Jet Passed U.S. Navy Destroyer in Black Sea

A Russian fighter jet made multiple, close-range passes near an American warship in the Black Sea for more than 90 minutes amid escalating tensions in the region. The Russian Fencer made 12 passes and flew within 1,000 yards (900 meters) of the USS Donald Cook Navy destroyer, U.S. military officials claim. The U.S. warship issued several radio queries and warnings using international emergency circuits but the Russian aircraft, which was flying at about 500 feet (150 meters) above sea level, did not respond.

The fighter appeared to be unarmed and never was in danger of coming in contact with the ship, said the officials. The passes, which occurred in the early evening there, ended without incident. A second Russian fighter jet flew at a higher altitude and was not a concern, said Warren.

A U.S. military official also said that a Russian Navy ship, a frigate, has been shadowing the U.S. warship, remaining within visual distance but not close enough to be unsafe. The official was not authorized to discuss the incident publicly so spoke on condition of anonymity. Warren said that he is not aware of any official communication or protests by the U.S. to the Russians about incident.

The USS Donald Cook has been conducting routine operations in international waters east of Romania. The ship, which carries helicopters, was deployed to the Black Sea on April 10, in the wake of the Russian military takeover of Ukraine's Crimea region and ongoing unrest there. U.S. military officials have said the deployment is part of an effort to reassure allies and partners in the region.

Ukraine's acting President OleksandrTurchynov on Monday called for the deployment of United Nations peacekeeping troops in the east of the country, where pro-Russian insurgents have occupied buildings in nearly 10 cities. The gunmen are demanding more autonomy from the central government and closer ties with Russia.

Source: Daily Mail, 15th April, 2014

#### Vietnam Launches Force to Keep an Eye on its Waters

Vietnam officially launched a fisheries surveillance force that will monitor local fishermen and work to protect the country's territorial waters. The move comes at a time of heightened tensions between several countries that have competing ownership claims to parts of the South China Sea, which surround Vietnam.

Officially known as the Vietnam Fisheries Resources Surveillance, the force will conduct sea patrols to monitor and protect fisheries resources, assist fishermen in distress and maintain maritime security, Deputy Prime Minister Hoang Trung Hai said at the launching ceremony in the central coastal city of Danang.

Officials did not specify the size of the force, but said that it would be headquartered in Hanoi and would have four divisions throughout country. According to state media citing Mr. Hai, Vietnam has around 120,000 fishing vessels with around one million people employed in the fishing industry.

In addition to protecting local fishing resources, the surveillance center will also work to prevent and deal with violations of Vietnamese laws that take place in the waters Vietnam claims. Vietnam and several other countries in the Asia-Pacific region have been embroiled in long-standing territorial disputes with China over parts of the South China Sea.

In recent months China, which claims it has sovereignty over virtually all of the South China Sea, has tried to assert its control over the mineral-rich waters, in part by implementing fishing regulations. In January, China enacted a new regulation requiring foreign fishermen to obtain Beijing's consent before operating in parts of the South China Sea that it claims, including the waters near the Paracel Islands.

Vietnam responded to that move to say it had "indisputable sovereignty" over the Paracels and Spratlys. "Any foreign activities not approved by Vietnam in this area are illegal and invalid," Luong ThanhNghi, the then-spokesman for Vietnam's Foreign Ministry, said in January.

Source: Wall Street Journal 15th April, 2014

#### Best Eastern Fleet Ship Trophy to INS Shivalik

The annual awards function of the Eastern Fleet -- Fleet Evening 2014, which is popularly referred to as FLING and commemorates the accomplishments of the Fleet over the past year, was held at Samudrika Naval Auditorium. The best ship trophy was awarded to INS Shivalik while INS Jalashwa was named as the most spirited ship. Eastern Naval Command C-in-C, Vice Admiral Anil Chopra was the chief guest at the function hosted by the Flag Officer Commanding Eastern Fleet, Rear Admiral Atul Kumar Jain. FLING is the culmination of a year of determined and relentless pursuit of excellence by ships of the Eastern Fleet of the Indian Navy. The ships that excel in various disciplines are awarded with trophies.

Source: TOI, 18th April, 2014

## Russian, Japanese Ships Arrive for Training at Karachi Port

For the first time in the last five decades, Russian naval vessels comprising two warships — anti-submarine destroyer 'Marshal Shaposhnikov' and salvage tug 'Alatau' — arrived at the Karachi port on a goodwill visit on 17<sup>th</sup> April. The Russian

flotilla is being led by Rear Admiral Dmitrieve Vladimir Alexandrovich, according to a statement issued by the Pakistan Navy.

"The event is of strategic importance and would go long way towards the enhancement of bilateral relations between the two countries." Various training activities and discussions on maritime security have been planned. Friendly sports matches and a visit of the Russian delegation to the PN establishment will also be undertaken. The Russian ships will also conduct a passage exercise with the Pakistan Navy platforms.

"Such visits help in promoting peace and security in the region and are in line with the policies of government to enhance maritime collaboration with regional and extra regional countries." The Japanese Maritime Self Defence Force (JMSDF) comprising two warships – SAMIDARE (DD-106) and SAZANAMI (DD-113) – took part in the event.

The event is important for the enhancement of bilateral relations between Pakistan and Japan. Various training activities and discussions on maritime security were conducted. Friendly sports matches and visits of the Japanese delegation to the PN establishments were also undertaken. At the end of the visit Japanese, the ships will also conduct passage exercises with Pakistan Navy platforms.

Source: The News, 20th April, 2014

## **Iranian Warships Docks in Muscat**

The Iranian Navy's 29th Fleet has docked in the Omani port city of Muscat, the deputy commander of the Iranian Navy announced. Rear Admiral SiavashJareh also said that the warships had sailed in the Indian Ocean, the Gulf of Aden, and the Red Sea during a three-month voyage. The fleet, which is comprised of the Khark logistic helicopter carrier and the Sabalan destroyer, set sail from the southern port city of Bandar Abbas in January, heading to the Atlantic Ocean.

The voyage was supposed to be the Iranian Navy's first mission ever to the Atlantic Ocean. But on April 12, the Fars News Agency reported that Iran had temporarily cancelled the plan to send warships to the Atlantic Ocean.

Elsewhere in his remarks, Rear Admiral Jareh announced that the Iranian Navy's 30th Fleet, which is comprised of the Alvand destroyer and the Bushehr logistic warship, has recently been sent to the open seas to provide security for Iranian commercial ships and oil tankers.

Source: Tehran Times, 21st April, 2014

#### **China's Unmanned Submersible Ready for Deep Water**

An unmanned submersible has passed its final field test, marking another step in China's drive to explore deep sea resources.Named "Haima," or sea horse, the vehicle can dive a depth of 4,500 meters via remote control and has the highest proportion of China-made parts compared with the country's other submersibles, according to a statement released on April 22<sup>nd</sup> by the Ministry of Science and Technology.

Chinese scientists spent six years developing core technologies and making the machine, which went through multiple improvements following problems and malfunctions during tests in laboratory tanks and the ocean.

During tests, the vehicle achieved a maximum depth of 4,502 meters, and reached the central basin in the South China Sea for tasks such as deploying cables, collecting sedimentary rock samples and photographing. The ministry said the vehicle enables the country to strengthen its hi-tech exploration of deep sea resources, and the ministry will cooperate with the Ministry of Land and Resources in devising work plans for Haima.

Meanwhile, Qianlong-1, another unmanned submersible still in the trial stage, is designed to travel to a depth of 6,000 meters and will be tasked with exploring the seabed and collecting hydrological data. In 2012, Jiaolong, the country's most advanced manned submersible, achieved a record dive depth of more than 7,000 meters in the Pacific's Mariana Trench.

Source: Xinhua, 22<sup>nd</sup> April, 2014

#### **Western Pacific Naval Symposium Starts at China**

A biennial conference of the Western Pacific Naval Symposium (WPNS) opened in the Chinese naval port of Qingdao, attracting more than 140 delegates from its member countries and observers. It is the first time for China, one of its 12 founding members, to host the biennial symposium. The WPNS was established as proposed by the United States and its allies in 1987 with the goals to promote pragmatic cooperation between the navies of countries bordering the Pacific Ocean region.

Delegates at the two-day event will review the work of WPNS-sponsored seminars and other activities for the past year and deliberate maritime regulations, among other discussions and exchanges.

Multi-country maritime exercises will be conducted off the coast of Qingdao to mark the 65th founding anniversary of the People's Liberation Army Navy. The exercises, originally scheduled from April 23 to 24, are not held under the framework of the WPNS, a Chinese navy spokesman said on Sunday.

Seven ships from Bangladesh, Pakistan, Singapore, Indonesia, India, Malaysia and Brunei will join the exercises. China will send warships, supply ships, a hospital ship, helicopters and marines to the exercises, which feature joint maritime search and rescue operations.

The WPNS now has 21 member countries, including Australia, Brunei, Cambodia, Canada, Chile, China, France, Indonesia, Japan, Malaysia, New Zealand, Papua New Guinea, Peru, the Philippines, Republic of Korea, Russia, Singapore, Thailand, Tonga, United States and Vietnam. It also has three observers: Bangladesh, India and Mexico.

Source: Xinhua, 22<sup>nd</sup> April, 2014

#### **Asia-Pacific Navies Sign Communication Agreement**

Naval officials from the U.S. and two dozen Asia-Pacific nations adopted an agreement aimed at improving communication at sea to reduce the possibility of conflict amid rising friction between an increasingly assertive China and its neighbours.

The Code for Unplanned Encounters at Sea provides simple instructions to be translated into regional languages that navies can use when they come across ships from other countries. It's hoped the code will lessen the possibility of collisions or misunderstandings that could lead to conflict in the heavily trafficked sea lanes surrounding China, Japan and Southeast Asia. Tensions have risen in the region over competing territorial claims, especially over a group of uninhabited islands in the East China Sea that are controlled by Japan but claimed by China.

The agreement, approved unanimously at the Western Pacific Naval Symposium in the eastern Chinese port city of Qingdao, is targeted at "establishing international standards in relation to the use of the sea," according to a text of the agreement provided by a U.S. Navy officer.

Although not legally binding, China's adoption of the code indicates its increased willingness to engage with its neighbours, U.S. Navy officials said. The U.S., Japan, South Korea, Philippines, Vietnam, Malaysia, Thailand, Australia, Canada, Mexico, Chile, Peru and several other nations also signed on. In the China-Japan island dispute, the U.S. has said it takes no side on the question of sovereignty but that it recognizes Japan's administration of the chain and has responsibilities to protect Japanese territory under a mutual defence treaty.

Addressing the symposium, China's navy commander, Adm. Wu Shengli, welcomed the accord as means for closer cooperation in humanitarian missions, as well as a way to avoid misunderstandings. Speaking on condition of anonymity, U.S. Navy officers said the code was based on protocols already used by the U.S. military and its allies. It had been discussed among Asia-Pacific states for more than a decade, but legal and linguistic barriers were overcome only in the past year. The code will be translated into local languages and allow navy sailors to communicate using bridge-to-bridge radio communications.

While that doesn't guarantee conflicts won't occur, it does give regional navies a standard way to communicate and avoid incidents such as the Dec. 5 near-collision between a U.S. Navy cruiser, the USS Cowpens, and a ship accompanying China's sole aircraft carrier in international waters of the South China Sea.

U.S. Navy officials said the Cowpens manoeuvred to avoid crashing into the Chinese ship, in the two nations' most serious sea confrontation in years. China has been increasingly forceful in its claims over almost the entire South China Sea, bringing it into conflict with neighbours to the south, especially Vietnam and the Philippines.

The commander of the U.S. Pacific Fleet, Adm. Harry Harris, told the meeting that Washington would continue to discourage all sides from using force in dealing with their territorial disputes. The meeting in Qingdao, home to China's northern fleet, is the latest example of Beijing using its military for diplomatic outreach. Earlier this month in Qingdao, Chinese military officials granted U.S. Defence Secretary Chuck Hagel the first visit by a foreign official to China's first aircraft carrier, a refurbished Ukrainian ship serving as a test-bed for future domestically built ships.

In another first for China's military, the navy intends to send a pair of destroyers, an oiler and a hospital ship to join in U.S.-led, 23-nation naval drills near Hawaii, building on a trend of integration with foreign navies begun in 2008 when China committed ships to anti-piracy patrols off Somalia.

The Qingdao symposium originally was scheduled to include an international fleet review, but that was cancelled, ostensibly due to the continuing multinational search for Malaysia Airways Flight 370.

Source: Navy Times 22<sup>nd</sup> April, 2014

#### Philippine Arrest PCG Involved in Killing of Taiwanese Fisherman

Philippine provincial court of Batanes has ordered the arrest of eight Philippine Coast Guard (PCG) personnel who face homicide charges for the fatal shooting of a Taiwanese fisherman in South China Sea in May last year. However, the court allowed the eight accused to each post 40,000 pesos (900 U.S. dollars) bail for their liberty.

"The undersigned presiding judge personally examined the records of the case and found the Certification of the Investigating Prosecutors finding probable cause against the accused for the crime charged to have sufficient and factual legal basis," Judge Barona said in an order.

On May 9, 2013, Philippine Coast Guard members shot dead 65- year-old Taiwanese fisherman Hung Shih-Cheng in a sea area some 180 nautical miles southeast of Erluanbi, the southernmost tip of China's Taiwan. After killing the

fisherman, the Filipino ship continued to chase and fire in bursts at the Taiwanese vessel. After months of investigation, the Philippine Department of Justice (DOJ) investigating panel found in a 79-page resolution last month probable cause to file charges in court againstCommanding Officer Arnold Enriquez dela Cruz and seven others for the death of Hung Shih-cheng.

The DOJ dismissed the claim of the respondents that they were forced to fire at the Taiwanese fishing boat, and the claim of the respondents that they cannot be held criminally liable for the incident as they were merely performing their lawful duties. Instead the panel held that the respondents "all acted in unison with the common purpose of firing" at the Taiwanese fishing boat Guang Da Xing No. 28 to force it to submit to MCS-3001's inspection.

The Cagayan Municipal Trial Court Branch 11 issued an arrest warrant against Dela Cruz and Mhelvin Aguilar Bendo II for the obstruction of justice case filed against them by the DOJ last month. The judge set the bail at 12,000 each (270 U.S. dollars), which can be posted in any trial court in the Philippines.

Source: Shanghai Daily, 22<sup>nd</sup> April, 2014

## 7th ASEAN-China Senior Officials' Meeting Begins in Pattaya

The 7th ASEAN-China Senior Officials' Meeting was held on April 21st to discuss the Implementation of the Declaration on the Conduct of Parties in the South China Sea (DOC).

Mr. Sihasak Phuangketkeow, Permanent Secretary for Foreign Affairs of Thailand and Mr. Liu Zhenmin, Vice Foreign Minister of China co-chaired the Meeting at the DusitThaniPattaya Hotel, Chonburi province.

Meanwhile, both are scheduled to give a press conference today to brief the media on the outcomes of the meeting. In addition, the 20th ASEAN-China Senior Officials' Consultation also continues at the DusitThaniPattaya Hotel.

Source: National News Bureau of Thailand, 22<sup>nd</sup> April, 2014

#### NATO Minesweepers Set Off on Baltic Deployment

Five NATO mine-hunting ships set off on a deployment in the Baltic Sea, part of the alliance's efforts to strengthen its presence in Europe's ex-communist east as members there worry about Russia's intentions in Ukraine.

The ships -- a minesweeper and a support ship from Norway and one mine-hunter each from the Netherlands, Belgium and Estonia -- left the German port of Kiel for an

exercise that will continue under Norwegian command until the end of May. Germany will then take command of the deployment. The ships will visit several Baltic ports and also participate in previously scheduled operations to dispose of ordinance from the two world wars.

Commodore Arian Minderhoud, the NATO Allied Maritime Command's deputy chief of staff for operations, said the exercise "is part of the whole package of ... actions to show NATO's resolve, to show NATO's preparedness."NATO said it was strengthening its military footprint along its eastern border.

During a visit to the Czech capital, Prague, Canada's foreign minister stressed his country's support for NATO's eastern members. "We will stand with you in the face of aggression," John Baird said after meeting his Czech counterpart.

Canada announced it would contribute six CF-18 jet fighters to a NATO air-policing mission to be based in Poland. Baird said in Prague: "we will be making other announcements of specific projects in the coming days."

Source: Fox News, 22<sup>nd</sup> April, 2014

#### Russia, India to Hold Joint Naval Manoeuvres

A planning conference began at the Pacific Fleet ahead of the Indra 2014 Russian-Indian counterterrorism manoeuvres, Russian Pacific Fleet spokesman Captain First Rank Roman Martov told Interfax.

"A delegation of the Indian Navy, led by the Indian Naval Staff's director for naval operations AlokAnand, has arrived at the Pacific Fleet's home base from Delhi. The second planning conference for the Indra 2014 international naval manoeuvres began at the Vladivostok officers' Club," Martov said. The first meeting centered on the program for the Indian warships' stay in Vladivostok and their location at the Pacific Fleet's moorages, as well as nuances of the upcoming manoeuvres and the cultural program.

The Indra 2014 manoeuvres will unfold in the Sea of Japan in mid-July after the four Indian warships' arriving in Vladivostok.

The first Indra drill was held in the Sea of Japan on April 24-26, 2007. At the time five Indian warships arrived in Vladivostok under the command of the Indian Eastern Fleet's commander, Rear Admiral R.K. Dhowan. The Pacific Feet was represented by two large antisubmarine ships, a missile boat, a diesel submarine, base trawlers and auxiliary ships under Vice Admiral Sergei Avramenko's command, Martov said.

Source: Voice of Russia, 22<sup>nd</sup> April, 2014

#### US, African Countries Team Up to Tackle Piracy in Gulf of Guinea

Three blocs of African countries and the United States have agreed to coordinate efforts to fight piracy in the Gulf of Guinea. Forty vessels have been attacked by armed gangs in the Gulf of Guinea this year, according to senior officials of the U.S. military's Africa Command. The epicentre of West African piracy is Nigeria, with 12 attacks multiple and kidnappings this Aboko Patrick, mayor of KomboAbedimo, a Cameroonian locality on the Bakassi peninsula, tells VOA that the government of Cameroon negotiated his release when he and some friends were captured by pirates. "We were embarrassed with three gun boats armed to the teeth, with about 10 persons per boat," he said. "There were gun firings. Some of us fell into water and we were picked up by pirates and taken to their camp. We were given indiscriminate beatings for close to about six hours. We sustained various iniuries ranging from wounds and Philip Hey, chief of the air and maritime program of the U.S. Africa Command, says organized piracy is increasing because West African countries do not make maritime safety a priority. "The criminals are winning. Criminals act with impunity on African waters," Hey said. "They fish illegally, they move illegal drugs, arms, weapons, they attack ships and that has a very negative impact on trade for Africa and for economic development for Africa."

FondoSikot, an economist at the University of Yaounde, says trade and movements have been seriously hampered by pirate activities. He gives the example of Nigeria, which produces 2 million barrels of oil per day, but where oil tankers going abroad face the constant threat of hijacking and theft. "If the countries do not do something to stop that, it will be so difficult to ship or import anything and without the ships being able to move freely, because they are afraid of pirates, you can imagine what it means for the economy, especially small economies like ours that depend a lot on maritime trade," he said. He adds the current situation is causing harm to the economies of both Africa and developed countries.

"Maritime trade is a shared interest. Every country has an interest," he said. "The U.S. is interested in keeping trade going. Cameroon is interested in keeping trade going and that is why we use that expression 'No shipping, no shopping.'" This week's meeting in Yaounde involved senior military officers from the Economic Community of West African States, the Economic Community of Central African States, and the Gulf of Guinea commission. The officers and the U.S. Africa Command agreed to create a regional coordination center for maritime safety and also to arm it to face growing insecurity on the Gulf of Guinea. Cameroon Defence Minister Edgard Alain Mebe Ngo says his country already has the facilities to host the center. "It will be an institution to determine all operational and practical strategies against maritime insecurity."

The Gulf of Guinea Commission says countries on the Gulf supply around 40 percent of Europe's oil and 29 percent of petroleum products to the United States. It

says without better maritime security, the region could become another Gulf of Aden, where Somali pirates ran wild for several years before international naval patrols shut them down.

Source: Voice of America, 23rd April, 2014

## Madras High Court Dispenses Appearance of Crew Members of US Ship

The Madras High Courtdispensed the appearance of the 35 crew members of the US-firm owned ship M V Seamen Guard Ohio from the proceedings of the trial court in the case registered against them under Arms Act and Essential commodities Act by the Q branch Police. Justice P N Prakash of Madurai Bench also granted time till June 10 for the Q branch police to file their counter affidavit on a petition by the crew members seeking to quashing of the charge sheet against them in a lower court. He dispensed the appeal of the crew members including British nationals from the trial proceedings of the lower court.

Earlier, the petitioner submitted that as they were engaged in anti- piracy operations the vessel was provided with armed guards as they ply in high risk areas in the sea.

They also stated that they were entitled to protection of Section 4 of the Territorial Water, Exclusive Economic Zone and Other Maritime Zones Act 1976, which entitles all foreign ships the right of innocent passage through the territorial waters so long as it is not prejudicial to the peace. They also sought for quashing the charge sheet and to stay the entire proceeding of the lower court as it has no jurisdiction to entertain the case and proceed thereon.

The ship was detained on October 18 last year by Indian Coast Guard off Tuticorin for violating the International Maritime Boundary Line. Upon inspection, the authorities discovered that the ship was carrying arms and ammunitions, and cases under Arms Act were also registered against the crew and arrested them.

Source: dna, 23<sup>rd</sup> April, 2014

#### <u>Pirates Raid Japanese Oil Tanker off Malaysia</u>

Armed pirates raided a Japanese oil tanker off the coast of Malaysia and abducted three crew members, underscoring increasing threats to shipping in one of the world's busiest waterways. The incident in the Malacca Strait, a route for about a quarter of the world's seaborne oil trade, has fuelled fears that piracy could be on the rise in the area and drive up ship insurance premiums.

Six pirates in a speedboat boarded the Naninwa Maru 1 off the coast of west Malaysia. The pirates pumped out more than half the 5 million liters of diesel carried

by the tanker into two waiting vessels and made off with three crew members, he added. Domestic media said the abducted men were Indonesians.

The Japanese tanker, headed for Myanmar from Singapore, had Indonesian, Thai, Myanmar and Indian crew members. Regional security officials told that armed gangs prowling the Malacca Strait may be part of a syndicate that can either have links to the crew on board the target or inside knowledge about the ship and cargo.

Such intelligence led hijacks has involved seizing tankers so that gasoil cargoes can be transferred and sold on the black market, the officials, who declined to be identified because they are not authorised to speak to the media, have said.

According to Singapore headquarters of the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP) the attacks by gangs armed with guns and knives on shipping in the Malacca Strait have ranged from 12 to 20 incidents a year over the last three years. Most of these incidents have involved the theft of ship's stores, cash and assaults on the crew.

Source: Reuters, 23rd April, 2014

## **Maritime Code of Conduct Signed at WPNS**

Naval chiefs from nearly two dozen Asia-Pacific nations have adopted an agreement aimed at ensuring that miscommunication between naval vessels does not develop into a conflict.

The measure was approved at a meeting of the Western Pacific Naval Symposium, held in the eastern Chinese coastal city of Qingdao where more than 20 countries with strategic interests in the Western Pacific region unanimously agreed to the framework, including the United States, China, Japan, the Philippines and Malaysia.

The agreement outlines how naval ships should communicate and manoeuvre when they unexpectedly come into contact in sea lanes surrounding China, Japan and Southeast Asia. Navies are told to fire off flares in green, yellow and red in different situations and given a list of English-language terms."The document is not legally binding, rather, it's a coordinated means of communication to maximise safety at sea," a draft, obtained by Reuters, said.

The final version has not been publicly released, but a naval official privy to the discussions said the language in the draft was close to what had been formally agreed upon. Accord 'will not influence' issues in South and East China Seas

On the side lines of the three-day conference, Xu Hongmeng, vice admiral in the navy of China's People's Liberation Army, said the agreement would have a positive impact on maritime conduct. But he added that it would have no impact on conduct in the disputed waters of the East and South China Seas.

Chinese and Japanese ships routinely shadow each other near a chain of disputed islets in the East China Sea, a development which analysts have said raises the risk of a conflict. The United States has long-standing defence treaties with Japan and the Philippines, raising the prospect of Washington being drawn into a potential conflict if a collision sparks wider tensions.

It is unclear whether this agreement clears up differences rooted in different interpretations of military activity. Beijing has objected, for example, to US surveillance operations near its coast, even if Washington insists they are in international waters.

Separately, China and the 10 countries of the Association of South East Asian Nations are negotiating a binding Code of Conduct to ease tensions in the South China Sea before territorial disputes can be resolved. The code extends far beyond improved communications, seeking to halt military exercises in disputed waters and limit construction on empty reefs and islands, diplomats say.

Source: Australia Network News, 23rd April, 2014

#### **US Troops Arrive in Poland**

U.S. Army paratroopers are deployed in Poland as part of a wave of U.S. troops heading to shore up America's Eastern European allies in the face of Russian meddling in Ukraine. Pentagon press secretary Rear Adm. John Kirby said an initial contingent of about 600 troops will head to four countries across Eastern Europe for military exercises over the next month. First, about 150 soldiers from the 173rd Airborne Brigade Combat Team based in Vicenza, Italy, are arriving in Poland. Additional Army companies will head to Estonia, Latvia and Lithuania and are expected to arrive for similar land-based exercises in those countries.

The show of strength comes as the United States, European allies and Ukraine try to ease tensions with Russia and pro-Russian separatists in eastern Ukraine. All sides struck a diplomatic agreement last week, but it remains unclear whether pro-Russian demonstrators, who took over a series of government buildings in the wake of Russia's annexation of Crimea, will back down.

Under the current plan, U.S. troops would rotate in and out of the four Eastern European countries for additional exercises on a recurring basis. "We're looking at trying to keep this rotational presence persistent throughout the rest of this year,"

Kirby told reporters, adding that over time the exercises could expand to other countries.

The exercises are part of an effort announced by Defence Secretary Chuck Hagel aimed at reassuring NATO allies of America's commitment to the region's defence. Kirby said the U.S. will likely plan other exercises and will continue to work through NATO on joint measures that could be scheduled in the future.

"It's a very tangible representation of our commitment to our security obligations in Europe, and the message is to the people of those countries and to the alliance that we do take it seriously. And we encourage our NATO partners to likewise look for opportunities of their own to do this same kind of thing for one another," said Kirby. "And I think if there's a message to Moscow, it is the same exact message - that we take our obligations very, very seriously on the continent of Europe."

Armed pro-Russia groups have occupied areas in eastern Ukraine and have refused to leave until the country's acting government resigns. There was a burst of violence Sunday, with three people killed during a shootout at a checkpoint manned by pro-Russian troops. The U.S. has asserted that some of the troops are Russian special operations forces, and officials are pressing Russian to abide by an international accord aimed at stemming the crisis in Ukraine.

Source: Fox News, 23rd April, 2014

#### Russia Consolidates the Arctic Navy

At the meeting of the Security Council Vladimir Putin expressed his opinion that Russia must properly react to the changing situation in the world and the Arctic in particular: "It should be taken into account that world's social and economic situation is dynamically changing, and our foreign policy must change accordingly. The situation is fraught with new risks and challenges to Russia's national interests, including those in the Arctic".

The Russian leader stressed that the level of protection reliability of the Russian Arctic borders should be raised "among other measures through the strengthening of the naval component of the FSB Border group. At the same time, the military infrastructure will be also strengthened by the establishing of the Arctic unified naval base for the surface ships and the new generation submarines. The Arctic has been and remains in the sphere of Russia's special interests". The President reminded that in the Arctic "there is concentrated almost all aspects of the national security: military, economic, technological, and environmental. The total reserves of energy resources in the Russian Arctic exceed 1.6 trillion tons, and the continental shelf contains about a quarter of all offshore hydrocarbon reserves in the world."

"In these circumstances, we need to take extra measures to keep up with our partners to maintain Russian influence in the region, and sometimes to be ahead of them. First, we should improve the quality of decision-making, and for that we must create the single center of responsibility for the implementation of the Arctic policy. What we need is not a bulky bureaucratic body, but a flexible operational structure that will help better coordinate the activities of ministries and departments, regions and businesses. It may be advisable to create a body similar in status to the state commission with broad powers, as it was done a while ago for the Far East."

Besides the specific security aspects, the President also urged the government to provide from 2017 the full funding of the state programs on social and economic development of the Russian Arctic zone. "By 2015 we need to bring the turnover of the Northern Sea Route to the level of 4 million tons. We need to accelerate the construction of icebreakers and complete the creation of modern infrastructure of navigation, communication, maintenance, emergency care. And of course, we need to minimize the environmental risks associated with the construction of infrastructure, especially in the development of the shelf, as well as to support the way of life of the indigenous peoples of the North. We will continue to invest significant resources in the Arctic, to solve its problems, to strengthen security. This is required by our national interests," said the Head of State.

Source: barentsnova.com 24th April, 2014

# **Indian Navy Refuses Chinese Navy Chief's Request**

The Indian Navy had to politely refuse an unusual request from the Chinese navy chief, Wu Shengli, when he came aboard one of India's frontline stealth warships, INS Shivalik and wanted to be shown the Combat Information Centre (CIC) or the all-important tactical room of the frigate.

It was learnt that Indian officers declined Wu's request—considered a major break from established protocol followed by navies around the world - saying that since the ship was in the harbour, the room was locked and was not open to outsiders. But Wu insisted on seeing the room and his aides attempted to convince the Indian side that the Chinese admiral, member of the powerful Central Military Commission, headed by President Xi Jinping, was particularly keen to see the CIC.

At this, Wu was told that he was welcome to visit the CIC during the exercise, which was slated for the following day in the Yellow Sea, which he did not agree. Soon after Wu and the rest of the PLA navy team left the Indian ship.

The incident occurred on 23<sup>rd</sup> April evening when Wu, flanked by 15 top Admirals from People's Liberation Army (PLA) navy, marched on to Shivalik, docked in the eastern Chinese city of Qingdao where it had arrived took part in a naval exercise to mark People's Liberation Army (PLA) navy's 65th year of founding.

Wu was on the ship to attend the reception thrown by the 300-odd crew of the ship. As Captain Puruvir Das, Shivalik's commander and the Indian ambassador Ashok K Kantha escorted Wu and his officers to tour the vessel, Wu said he wanted to see a specific room – the CIC; the CIC is considered to be the "nerve centre" of any warship, a room with its equipment that could give a senior navy officer a sharp insight into the ship's strengths and capabilities.

The Indian side were taken unawares by Wu's request as it is unheard of for the chief of a navy to make a request to see the CIC of another country's warship; China itself is not known to throw open its warship CICs to military officers from other countries. Sources said Wu broke away from protocol by asking to see the CIC. It was learnt that Captain Das explained to Wu that he was not in a position to take him to the CIC but would gladly give him a tour of the rest of the ship.

Chinese officers were given more access to the Shivalik this time than in 2012 when it had come to Shanghai. Sources said the Chinese officers were very interested in Shivalik and was surprised that it had sailed all the way from Port Blair without any escort vessel or any other supervisory officer on board other than Captain Das himself.

Das refused to comment on the Wu Shengli incident and instead said that the exercise went off smoothly and that he was looking forward to engaging with the Chinese navy more frequently and deeply. "We brought a Chetak helicopter that was deployed during the exercise which was an anti-hijack operation. Three ships, one each from China, Indonesia and India took part in the exercise," Das said.

Source: Hindustan Times, 24th April, 2014

#### **China Frees Japan Ship Captured in 1930s**

China on released a seized Japanese ship after its owner paid \$28 million in compensation, a court said, in a business dispute dating to the 1930s which underlines tensions between the countries.

The Shanghai Maritime Court announced on 24<sup>th</sup> April, it had impounded a large freighter owned by Mitsui O.S.K. Lines in accordance with the law, as the Japanese company had failed to compensate a Chinese firm for two ships chartered in 1936.

But the case had political overtones given uneasy ties between the two Asian giants, strained by a territorial dispute over islands in the East China Sea and China's perception that Japan has failed to make amends for atrocities committed during World War II.

Mitsui had "fulfilled its obligations by paying the compensation and additional court costs of around \$390,000, the court said. It did not name the Chinese party awarded

the compensation. The Japanese company said the released ship departed a Chinese port on 24<sup>th</sup> April, but warned the incident could have a "negative impact" on its business activities in China.

The ship Baosteel Emotion, designed to carry iron ore, was docked at Majishan island off Shanghai, according to Chinese media reports. Japan had lodged a formal diplomatic protest over the seizure and warned it could "intimidate Japanese companies doing business in China".

Tokyo believes that the seizure undermined a 1972 joint communique that normalised ties between Japan and China, in which Beijing agreed to renounce any demands for war reparations. China has insisted that the case was purely a commercial matter, and the dispute was handled under the law.

"A Chinese court has given a ruling in accordance with law and Mitsui O.S.K. has also paid compensation in accordance with the ruling of the Chinese court," foreign ministry spokesman Qin Gang told a regular briefing. "Therefore, the case has been handled."

Japanese media suggested the seizure of the ship underlined China's growing assertiveness before US President Barack Obama's arrival in Tokyo on the first leg of an Asian tour. In a separate case, Japanese trading house Marubeni said that three employees -- Chinese nationals working for subsidiary Columbia Grain -- might have been detained by Chinese authorities.

Mitsui's predecessor chartered two ships from a company called Chung Wei Steamship Co., now referred to as Zhongwei by mainland China, in 1936. The ships were reportedly commandeered by the Imperial Japanese Navy and were sunk during World War II, media reports said.

A compensation suit was later brought against Mitsui by the descendants of the founder of the Chinese company, and in 2007 a Shanghai court ordered Mitsui to pay compensation.

Mitsui said in a statement that it had been seeking an out-of-court settlement after China's Supreme Court rejected its appeal against the judgment in 2011, but the vessel was "suddenly" impounded. A Chinese academic defended the court's move, saying the seizure was legal despite the time elapsed since the original suit was filed in 1988.

"The ruling made by Shanghai Maritime Court is indisputable," said Lu Ming, a professor at the Shanghai University of International Business and Economics who specialises in maritime law." After being accepted in 1988, this case was always being handled by the court," she said.

The ship seizure came as a set of lawsuits related to wartime forced labour have also been filed in China against Japanese companies. But the favourable ruling

might not necessarily open the floodgate for compensation, Lu said. "This is a typical business dispute case, which differs in nature from the labour compensation cases, so it's hard to tell whether it will have any positive effect," she said. Last month, a Beijing court for the first time agreed to hear a lawsuit by Chinese citizens demanding compensation from Japanese firms for World War II forced labour, according to their lawyer.

Source: Global Post, 24th April, 2014

## Japan Navy Chief's Message for New Indian Government

The new government that will take charge in New Delhi next month has been given a clear message from Japan's top-most naval official: Tokyo hopes the Indian political establishment – which under two terms of the United Progressive Alliance (UPA) has generally been cautious on boosting military ties with Japan keeping China's concerns in mind—will do "much more" to build closer relations.

Admiral Katsutoshi Kawano, Chief of Staff of Japan's Maritime Self-Defense Force (MSDF), said his country has been "wanting very much" to re-join the bilateral Malabar sea exercises between the United States and India. Japan was last invited to join the exercise in 2007, but has subsequently been kept out after China protested the three-way exercises and suggested they were aimed at Beijing.

"We have been wanting very much to join the Malabar sea exercises, with UnitedStates and India," Admiral Kawano said. "As I understand, the Indian Navy is keen and willing. But Indian politics is very complicated," he said, speaking to The Hindu.

Admiral Kawano was among top naval officials from the U.S., China, Canada, France and New Zealand present at a reception on board India's missile frigate INS Shivalik, which is in this northeastern Chinese port city – the headquarters of the Chinese Navy's North Sea Fleet – to participate in multilateral maritime exercises to mark the 65th anniversary of the founding of the Chinese People's Liberation Army Navy (PLAN). "We very frequently hold exchanges with the Indian Navy, but we want to do much more." Admiral Kawano said.

While he did not elaborate further, the Admiral appeared to be referencing the Indian government's caution about going forward with the trilateral exercises. After a five-year hiatus, the Indian government told Japanese officials in January, when Prime Minister Shinzo Abe visited New Delhi, that Japan would be included in exercises later this year. The change in stance comes as the UPA's second-term comes to an end.

The Admiral's comments about the "complicated" politics in New Delhi, however, suggested that from the Japanese point of view, there was still some uncertainty

about how committed the Indian government was to the idea amid different prevailing views in the government.

Some officials in New Delhi acknowledge that the government may have been excessively cautious in this regard. The policy now, they say, is to actively develop and improve ties with both Japan and China. One observer noted how "tabled have turned" in the past decade, when Japan was initially focused on mending ties with China and lukewarm towards India's proposals to enhance then-limited naval drills between coast guards.

But under Mr. Abe, ties with China have plummeted over disputed East China Sea islands and questions of wartime history. While Admiral Kawano was hosted as a member of the 21-country Western Pacific Naval Symposium (WPNS) which was held here this week, Japan was not invited to participate in maritime exercises held alongside the meeting to mark the PLA Navy's anniversary. Japanese Admiral Kawano said he was "very concerned" and "worried" about the implications of China's rapidly growing military strength on the region. But Japan, he said, was taking overdue steps to boost its military – which still is called a "self-defence force" in keeping with Japan's post-war Pacifist Constitution.

Mr. Abe wants Japan to become a "normal country" with a proper military, citing China's rise as a prime reason. China, however, has accused him of seeking to rewrite Japan's wartime atrocities and post-war commitments.

Japan also wanted to expand ties with India's "very good navy" through more exchanges and port calls. "We are very interested to help India develop its naval technology," he added, pointing to the recent agreement for India to purchase 15 US-2 amphibious aircraft from Japan, which will mark the first instance of Japan selling major military hardware after the Second World War.

Source: Hindu, 24th April, 2014

# **China Launched The Maritime Cooperation 2014**

China launched the Maritime Cooperation 2014 joint naval exercise with the navies of seven other Asian nations on April 23, marking the 65th anniversary of the founding of the People's Liberation Army Navy. The other countries taking part included Pakistan, Indonesia, Singapore, India, Malaysia, Bangladesh and Brunei.

Yang Junfei, the head of the PLA Navy's North Sea Fleet was appointed the commander of the exercise, directing operations aboard the Type 052 destroyer Harbin. A total of 19 warships and seven helicopters took part in the exercise, dividing into three fleets to carry out drills including supplying at sea, search and rescue operations and anti-piracy missions.

The first combined fleet consisted of the PLA's Huludao, a Type 053H2G frigate; Linyi, a Type 052A frigate; and the supply ship Hongze Lake. They were joined by the BNS Abu Bakr, a guided-missile frigate from the Bangladeshi navy; the Malaysian frigate KD Kastur and the RSS Formidable from the Singapore navy. The Hongze Lake was deployed to conduct a supply mission for the rest of the fleet.

The second fleet was made up of the PLA's Yantai, a Type 054A frigate; the Qindgao, a Type 052 destroyer; the Shenyang, a Type 051C destroyer and the Peace Ark hospital ship. They were joined by the KDB Darulehsan frigate from the Royal Brunei Navy and the PNS Shamsheer, a frigate from the Pakistani navy. The primary mission of this fleet was to conduct a search and rescue mission and provide relief to sailors inside a shipwrecked vessel.

The third fleet comprised the Harbin and the Changbaishan, a PLA Type 071 amphibious landing ship, together with the Indian frigate INS Shivalik and the KRI Banjarmasin, a Makassar-class landing platform dock from the Indonesian navy. The third fleet conducted an anti-piracy drill in Chinese waters, in which the Chinese ship Beijiu 122 simulated a captured merchant ship.

Zhang Junshe, a researcher with the PLA's Naval Military Studies Research Institute, told the state newswire Xinhua that the exercise highlighted responses to non-traditional security threats such as piracy, terrorism and natural disasters. He said the Indian Ocean tsunami in 2004, the Philippine typhoon in 2013 and the ongoing search for the missing Malaysia Airlines flight MH370 has shown the urgent need for cooperation when dealing with non-traditional security threats.

Source: Want China Times, 24th April, 2014

# India, China Agree to Deepen Naval Ties

As the Indian Navy's INS Shivalik prepared to leave Qingdao port on 25<sup>th</sup> April, after a six-day stay in China, both countries declared that the missile frigate's visit had gone a long way in deepening strategic trust between two navies that are increasingly coming into contact on the high seas.

Officials on both sides said the Shivalik's visit and participation at the People's Liberation Army Navy's (PLAN) 65th anniversary celebrations – marked by first-ever maritime exercises involving 7 nations in China – had sent a strong signal of India's keenness to deepen navy-to-navy links with China. The United States did not send a ship to Qingdao after Japan was not invited to participate.

China asked India, along with Indonesia, to participate in the most challenging of three different drills. This involved staging an anti-hijacking exercise, for which China also deployed its elite commando unit besides an advanced PLAN vessel. "The

exercises may not be as advanced as what we have had with the United States, but this is definitely the most high-level drill we have had with China," said one official.

Chinese officials said the six-day-long stay of Shivalik would also help build trust between two countries that have rapidly developing navies with an increasingly wide presence across the Indian and Pacific oceans. "The Indian ship is a very strong ship with powerful weapons," said one PLAN official, who visited the Shivalik. "This gives us a good opportunity to see the Indian Navy".

The exercises helped enhance "mutual understanding, trust and friendship among maritime forces" and "cooperation in safeguarding maritime security to better respond to emergencies," *Xinhua* said. PLAN officials expressed admiration that the Shivalik sailed 4,500 miles from Port Blair to Qingdao, through the Indian Ocean and South China Sea, with neither an accompanying vessel nor an official from headquarters on board to supervise the exercises. This was unusual from the point of view of the Chinese Navy, where ships are rarely given such a degree of autonomy, seen as reflecting the confidence and experience of the Indian Navy on the high seas.

China has invested billions in building a modern blue-water Navy, but is still taking tentative steps in spreading its presence, only starting to venture more deeply into the Indian and Pacific Oceans beyond the South and East China Seas. In February, a three-ship flotilla of the PLAN for the first time held a 5-day exercise in the Lombok Strait near Indonesia in the Indian Ocean. The PLAN has also held more than a dozen drills near the Gulf of Aden, along sea routes crucial to China's energy security.

In December, the Indian Navy held a more substantial 10-day exercise involving 15 ships and submarines in the Sunda Strait near Indonesia. Indian Navy ships also make it a point to regularly traverse the South China Sea – whose waters and islands are disputed by China and ten other countries – to underline India's commitment to freedom of navigation.

As more Chinese ships sail west and Indian ships sail east, both countries have used this week's exercise to stress their intent to ensure they will deepen mutual trust to address any insecurities. To that end, both countries have also discussed holding another round of maritime exercises later this year. The bilateral exercise is likely to coincide with the India-U.S. Malabar maritime exercise, which may also involve Japan for the first time in seven years, and ease any anxieties China may have had about India's strategic intentions.

Source: Hindu, 25<sup>th</sup> April, 2014

#### Visit of Japanese Naval Ship at Sri Lanka

Sri Lanka Navy, in accordance with naval traditions, welcomed two Japanese Maritime Self Defence Force (JMSDF) ships arrived at the Port of Colombo on 25<sup>th</sup> April, 2014. The two Japanese defence force ships Samidare DD-106 and Sazanami DD-113 arrived at the Port of Colombo on a goodwill and supply visit, the Navy said. The ships are en route for Counter Piracy Operations off the Coast of Somalia and in the Gulf of Aden.

Head of the mission, Commander Escort Division IV, Captain Hiroaki Tajiri and Ships' Commanding Officers, Commander Takashi Saito and Commander Yasihiro Hayashi paid a courtesy call on Commander Western Naval Area, Rear Admiral SirimevanRanasinghe of the Sri Lanka Navy at the Western Naval Command Headquarters in Colombo. They held cordial discussions and exchanged mementos as a gesture of goodwill.

Both "Samidare" and "Sazanami" are destroyers, which are 151 meters in length. "Samidare" has a displacement of 4,550 tons while "Sazanami" has a displacement of 4,650 tons. Each consists of a complement of 190 naval personnel onboard. The ships' complements will participate in a special programme organised by the Sri Lanka Navy during their stay in Sri Lanka. The visiting Japanese ships will stay in Sri Lanka until 27th April.

Source: Colombo Page, 25th April, 2014

#### Three Indian Naval Ships to Pay Goodwill Visit to Myanmar

Three Indian Navy ships comprising one training squadron of the Indian Navy will pay a four-day goodwill visit to Myanmar on 27<sup>th</sup> April, said the Indian Embassy of Myanmar in a press release. The ships will be berthed at Myanmar International Terminals Thilawa (MITT) in Yangon. The training squadron comprises INS Gharial, INS Sujata and Coast Guard ship Varuna. 125 officer cadets from the Indian Navy and Indian Coast Guard are embarked onboard the ships.

The visit and interactions among high-ranking officials would undoubtedly provide further momentum to consolidate the friendly relations between India and Myanmar, the release said. During the visit, the commanding officer will meet with senior government and military officials, it added. A free medical camp would be set up at Thanlyin District Hospital in Yangon. There would be also some community social activities. The Indian Naval Band will perform at a concert named "Harmony and Friendship Across the Seas" at the National Theatre. The training squadron has visited Singapore and Phuket prior arriving at Yangon, the release said.

Source: Global Times, 25th April, 2014

## U.S. and Philippines Agree to a 10-Year Pact on the Use of Military Bases

The United States and the Philippines have reached a 10-year pact that would allow a larger US military presence in this south-east Asian nation as it grapples with increasingly tense territorial disputes with China, White House officials said on Sunday.

The Enhanced Defense Cooperation Agreement would give American forces temporary access to selected military camps and allow them to preposition fighter jets and ships. It will be signed on Monday at the Department of Defense in the Philippine capital, Manila, before President Barack Obama arrives on the last leg of a four-country Asian tour, following earlier stops in Japan, South Korea and Malaysia.

A Philippine government primer on the defense accord that was seen by the AP did not indicate how many additional US troops would be deployed "on temporary and rotational basis", but it said that the number would depend on the scale of joint military activities to be held in Philippine camps. The size and duration of that presence still has to be worked out with the Philippine government, said Evan Medeiros, senior director for Asian affairs at the White House's National Security Council.

Medeiros declined to say which specific areas in the Philippines are being considered under the agreement, but said the long-shuttered US facility at Subic Bay could be one of the locations.

The defense accord is a new milestone in the long time treaty allies' relationship and would help address their respective dilemmas. The Philippines has struggled to bolster its territorial defence amid China's increasingly assertive behaviour in the disputed South China Sea. Manila's effort has dovetailed with Washington's intention to pivot away from years of heavy military engagement in the Middle East to Asia, partly as a counterweight to China's rising clout. "The Philippines' immediate and urgent motivation is to strengthen itself and look for a security shield with its pitiful military," Manila-based political analyst Ramon Casiple said. "The US is looking for a re-entry to Asia, where its superpower status has been put in doubt." The convergence would work to deter China's increasingly assertive stance in disputed territories, Casiple said. But it could also further antagonize Beijing, which sees such tactical alliance as a US strategy to contain its rise, and encourage China to intensify its massive military build-up, he said.

Hundreds of American military personnel have already been deployed in the southern Philippines since 2002 to provide counterterrorism training and to serve as advisers to Filipino soldiers, who have been battling Muslim militants for decades. The agreement states that the US would "not establish a permanent military presence or base in the Philippines" in compliance with Manila's constitution. A Filipino base commander would have access to entire areas to be shared with American forces, according to the primer. There will be "utmost respect for Philippine

sovereignty", it said. Disagreements over Philippine access to designated US areas within local camps had hampered the negotiations for the agreement last year.

The agreement would promote better coordination between US and Filipino forces, boost the 120,000-strong Philippine military's capability to monitor and secure the country's territory and respond more rapidly to natural disasters and other emergencies. "Pre-positioned material will allow for timely responses in the event of disasters natural or otherwise," the primer said. While the US military would not be required to pay rent for local camp areas, the Philippines would own buildings and infrastructure to be built or improved by the Americans and reap economic gains from the US presence, it said, adding the pact was an executive agreement that would not need to be ratified by the Philippine Senate.

The presence of foreign troops is a sensitive issue in the Philippines, a former American colony. Left-wing activists have protested against Obama's visit and the new defense pact in small but lively demonstrations, saying that the agreement reverses democratic gains achieved when huge US military bases were shut down in the early 1990s, ending nearly a century of American military presence in the Philippines. The Philippine Senate voted in 1991 to close down US bases at Subic and Clark, northwest of Manila. However, it ratified a pact with the United States allowing temporary visits by American forces in 1999, four years after China seized a reef the Philippines contests.

Following the September 11 attacks in the United States, hundreds of US forces descended in the southern Philippines under that accord to hold counterterrorism exercises with Filipino troops fighting Muslim militants. This time, the focus of the Philippines and its underfunded military has increasingly turned to external threats as territorial spats with China in the potentially oil- and gas-rich South China Sea heated up in recent years. The Philippines has turned to Washington, its longtime defense treaty ally, to help modernize its navy and air force, which are among Asia's weakest. Chinese paramilitary ships took effective control of the disputed Scarborough Shoal, a rich fishing ground off the northwestern Philippines, in 2012. Last year, Chinese coast guard ships surrounded another contested offshore South China Sea territory, the Second Thomas Shoal, where they have been trying to block food supplies and rotation of Filipino marines aboard a grounded Philippine navy ship in the remote coral outcrops.

The dangerous standoff has alarmed Washington, which called China's actions provocative. China has ignored Philippine diplomatic protests and Manila's move last year to challenge Beijing's expansive territorial claims in the South China Sea before an international arbitration tribunal. It has warned the US to stay out of the Asian dispute.

Source: Guardian, 27th April, 2014

#### **Pacific Partnership Brings New Look to Multilateral Mission**

The U.S. Navy's ninth multilateral Pacific Partnership mission will include an enhanced role for Japan, and simultaneous seaborne and airborne phases, to improve disaster response preparedness in five Southeast Asia host nations beginning in late May. Directly assisting host nations Vietnam, Cambodia, and the Republic of the Philippines, a Japan Maritime Self-Defense Force (JMSDF) ship will serve as this year's primary mission platform, marking the first time Pacific Partnership will be led from a partner nation's ship.

A simultaneous airborne phase – also a first for the U.S. Pacific Fleet's annual humanitarian and disaster response-focused mission – will fly assistance into host nations Indonesia and Timor-Leste. "As we saw last November when our Philippine allies were devastated by a typhoon, being able to provide effective humanitarian assistance and disaster relief is critical to stabilize a crisis," said U.S. Pacific Fleet commander Adm. Harry Harris, Jr. "Because United States naval forces are forward deployed, where it matters, when it matters, we were able to quickly respond with ships, aircraft and personnel during Operation Damayan.

"But we were not alone, as many partner nation militaries, civilian agencies and nongovernmental organizations also provided assistance to the Philippines. That's why multilateral missions like Pacific Partnership are so valuable, because it prepares us in calm so we can effectively respond together in crisis." At the invitation of host nations, Pacific Partnership 2014 (PP14) unifies the efforts of partner nation militaries, host nation civilian agencies, and non-governmental organizations (NGO) to strengthen the collective ability of the international community to operate as a team in delivering foreign humanitarian aid in times of natural disaster or crisis. "We are grateful to the host nations of Cambodia, Indonesia, the Philippines, Timor-Leste and Vietnam, the civilian NGO specialists, and our military partners from Australia, Chile, Japan, New Zealand and Singapore for joining the Pacific Partnership 2014 mission," said Harris. "It is an historic moment in the progress of this vital mission that Japan is contributing the primary command ship. Friends help friends, and this multilateral mission will not only strengthen future disaster response preparedness, it will build trust and enhance interoperability so that we can continue improving regional security and stability." U.S. Navy leaders from Destroyer Squadron (DESRON) 21 will serve as mission commander and will embark the JMSDF command ship to oversee PP14. Simultaneously, Seabees from the U.S. Navy's 30th Naval Construction Regiment (30 NCR) in Port Hueneme, Calif., will deploy via air from Point Mugu, Calif., to lead the mission in Indonesia and Timor-Leste. Lasting for approximately two months, PP14 will feature a multinational command and control (C2) structure to include a Deputy Mission Commander from the JMSDF, a Mission Chief of Staff from the Australian Defense Force, a Deputy Phase Commander (Indonesia) from the Australian Defense Force, and a Deputy Phase Commander (Timor-Leste) from the New Zealand Defense Force.

Born out of the devastation wrought by a 2004 tsunami that swept through parts of Southeast Asia, Pacific Partnership began as a military-led humanitarian response to one of the world's most catastrophic natural disasters. Building on the success of this operation, the U.S. hospital ship USNS Mercy (T-AH 19) returned to the region in 2006 for the inaugural Pacific Partnership mission. In successive missions, participants expanded to include partner nation militaries and NGOs working to increase the disaster relief capabilities of host nations. While training in simulated crisis-conditions, Pacific Partnership missions to date have provided real-world medical care to approximately 250,000 patients, veterinary services to more than 37,000 animals, accomplished more than 170 engineering projects, and enabled critical infrastructure development in Cambodia, Federated States of Micronesia, Indonesia, Kiribati, Palau, Papua New Guinea, Republic of the Philippines, Republic of Marshall Islands, Samoa, Solomon Islands, Timor-Leste, Tonga, Vanuatu and Vietnam.

According to U.S. Navy Capt. Brian Shipman, mission commander and commodore of San Diego-based DESRON 21, the uniqueness of this year's mission is due to the expanded leadership of partner nations. "In previous years, the U.S. Navy provided the command ship for the mission, with partner nations providing a mission platform for some of the specific phases," said Shipman. "This year, our Japanese allies are providing the command ship, which is a natural progression of previous efforts. I am extremely proud of the hard work that has gone into planning this year's mission. Everyone involved understands that we're not only helping our partners become more resilient and better prepared for humanitarian contingencies, but we are also making a long-lasting impact in the host nation communities where we will be working."

Building on the lessons of previous missions, PP14 will increase regional stability and security, open dialogue between leaders, cement new and enduring friendships, build mutual trust and respect. While Pacific Partnership brings together a great number of like-minded organizations focused on making a long-term difference, Harris also pointed out that the mission goes beyond the actions of training while improving engineering, medical, dental, and veterinary services.

"As I travel through the region, military and civilian leaders all agree about the necessity of being able to work together in order to respond quickly and effectively to natural disasters and crises like the missing Malaysian Air Flight 370," Harris said. "Working cooperatively in a multilateral way allows partners to share the workload, leverage the capabilities of more than one nation and civilian agency, and learn from each other through an exchange of ideas. So not only does Pacific Partnership have a long-lasting impact on future readiness, it also helps the U.S. Pacific Fleet better understand the maritime security needs of our allies and partners."

Source: dvids, 28th April, 2014

#### **Taiwan Stages Drill in Spratlys**

Taiwan this month mobilized hundreds of marines for its largest military exercise since 2000 near disputed islands in the South China Sea.Lin Yu-fang, a legislator said the landing drill was held on the Taiwan-administered island of Taiping, part of the Spratlys -- a chain which is also claimed in whole or in part by China, Vietnam, Malaysia, the Philippines and Brunei.

Lin, a member of parliament's defence and diplomacy committee, said the task force from two marine companies, armed with mortars and anti-tank rockets, boarded some 20 amphibious assault vehicles for the landing on Taiping on April 10.A naval fleet of seven Lafayette-class and Perry-class frigates as well as tank landing ships were mobilized for the drill which practiced retaking the islet after it was seized by invading troops, he said in a statement.

"This was the biggest naval gathering near the islet since 2000 when the marines were replaced by coastguards," Lin said after a closed-door committee meeting. "This was also the first time since then that regular troops stepped on the islet," he said, describing the drill as "of special significance". Defence ministry spokesman David Lo confirmed the exercise but gave no details.

Taiping Island is currently guarded by a 130-strong coastguard. All claimants to the Spratlys, apart from Brunei and Taiwan, have troops based on the archipelago of more than 100 islets, reefs and atolls, which cover a vast area but have a total land mass of less than five square kilometers (two square miles). The potentially resource-rich sea, home to important trade routes, is a potential military flashpoint. There have been a series of diplomatic rows between countries with overlapping territorial claims in recent years.

The Philippines and Vietnam have complained that China is becoming increasingly aggressive in its actions in the area -- such as harassing fishermen -- and also through bullying diplomatic tactics. Taiwan has strengthened its defence capabilities in the disputed area, including expanding a pier and deploying long-range artillery and mortars.

Source: Chanel News Asia, 28th April, 2014

# U.S. Navy Orders Block IV Virginia Class Submarines

The U.S. Navy awarded General Dynamics Electric Boats a record \$17.645 billion contract, funding the construction of 10 new SSN 774 Virginia-class Block IV nuclear-powered attack submarines. "The Block IV award is the largest shipbuilding contract in US Navy history in terms of total dollar value," said Rear Adm. Dave Johnson, program executive officer for submarines at Naval Sea Systems Command

(NAVSEA). "The new contract would result in additional reductions in procurement costs and will also lower operating costs", he added.

"The Navy and shipbuilders worked together to produce a contract that is both fair to the Navy and industry," Johnson said. "This contract lowers the per-ship cost compared to Block III." Johnson said the contract would also reduce the number of major maintenance visits for the submarines to three from four, which meant that each of the new subs would be able to carry out 15 full-length deployments instead of 14. "With the decrease in cost and the increase in capability, we are essentially getting more for less," he said.

The Navy is already operating 10 Virginia-class submarines, with eight more submarines from the third block under contract. The order secures submarine building work at the prime contractor General Dynamics Electric Boat and chief subcontractor Huntington Ingalls Newport News Shipbuilding for the next four years, at a pace of two submarines per year. Each yard will deliver one sub per year.

And the largest number of boats ordered to date in a single contract block. The Block IV award covers hull numbers SSN 792 through SSN 801. None of the ships have yet been named. SSN 792 is funded in fiscal 2014. Construction of SSN 792, Electric Boat said, will begin May 1. SSN 801 is scheduled to be delivered to the fleet in 2023. Ten Virginia-class submarines already have been delivered and are in service, while another eight are under construction or on order. The North Dakota, first of the Block III group, is to be delivered this summer.

Each submarine displaces 7,800 tons submerged, with a hull length of 377 feet and diameter of 34 feet. They are listed as "capable" of speeds greater than 25 knots with a diving depth greater than 800 feet, while carrying Mark 48 advanced capability torpedoes, Tomahawk land-attack missiles and unmanned underwater vehicles.

Source: Defence Update, 29th April, 2014

## **Nations Heading to Hawaii for RIMPAC**

Twenty-three nations, about 40 ships, six submarines, hundreds of aircraft and 25,000 people are participating in this year's Rim of the Pacific war games in and around Hawaii from June 26 to Aug. 1, the Navy said.

Those include China's participation for the first time as some raise concerns that forays by the rising Asian power into blue waters far from its country are largely about countering the U.S. Pacific Fleet. The People's Liberation Army-Navy is scheduled to send four ships to RIMPAC, the Navy said.

The hospital ship Peace Ark will take part in medical exchanges and exercises, and an oiler, frigate and destroyer will participate in a "maritime interdiction operations"

task force under a U.S. Coast Guard cutter commanding officer, Lt. Lenaya Rotklein, a spokeswoman for the Navy's 3rd Fleet in San Diego, said Monday.

This year's exercise also features units or personnel from Australia, Brunei, Canada, Chile, Colombia, France, India, Indonesia, Japan, Malaysia, Mexico, the Netherlands, New Zealand, Norway, Peru, the Republic of Korea, the Republic of the Philippines, Singapore, Thailand, Tonga, the United Kingdom and the United States.

A U.S. Navy ship and Chinese ships Harbin, a destroyer, and oiler Weishanhu conducted maritime interdiction operations, including a counter piracy exercise, in the Gulf of Aden in August. The Pentagon said the exercise was "a big step beyond" the first counterpiracy exercise between the U.S. and Chinese navies in 2012.

A small Chinese contingent did observe RIMPAC in 1998, the Navy previously said. But the National Defense Authorization Act of 2000 prohibits military-to-military contact with the People's Liberation Army if that contact would "create a national security risk" due to exposure to operational areas including advanced combined-arms and joint combat operations. Adm. Harry B. Harris Jr., head of U.S. Pacific Fleet, said earlier this month in Australia in prepared remarks that he is "concerned by the aggressive growth of the Chinese military." But he also said China's participation in RIMPAC will be an important milestone.

"Despite the concerns I've mentioned, we welcome the emergence of a peaceful, responsible and prosperous China as a positive contributor to Asian stability," Harris said. This year's exercise includes units or personnel from Australia, Brunei, Canada, Chile, Colombia, France, India, Indonesia, Japan, Malaysia, Mexico, the Netherlands, New Zealand, Norway, People's Republic of China, Peru, the Republic of Korea, the Republic of the Philippines, Singapore, Thailand, Tonga, the United Kingdom and the United States.

The aircraft carrier USS Ronald Reagan and amphibious assault ship USS Peleliu will be among the biggest ships to take part in the upcoming RIMPAC, which is held every other year off Hawaii. Four ships are scheduled to participate in a portion of the exercise off Southern California.

The exercise will be divided into a "harbor phase" to build relationships and reinforce protocols; scripted exercises with gunnery, ship sinkings, an amphibious rehearsal and humanitarian assistance and disaster relief; and large-scale, multilateral, unscripted exercises.

Source: Stripes, 29th April, 2014

#### Obama Administration Opposes Navy Expansion at China Lake

The Obama administration opposed a House bill that would expand a naval base in the Western Mojave Desert and permanently place the military in charge of managing its nearly 1.1 million acres. Permanently designating Naval Air Weapons Station China Lake property for military use would save taxpayer money and enhance the base's mission, said Republican U.S. Rep. Kevin McCarthy of California, the bill's sponsor. A House subcommittee held a hearing on the legislation Tuesday.

Last year, Congress reserved China Lake's acreage for military use for an additional 25 years. The administration says it supports the continued use of China Lake lands for military purposes, but it can't go along with a permanent set-aside. Karen Mouritsen, a deputy assistant director at the Bureau of Land Management, said that the Defense Department's needs could change in future decades. The BLM administers federal lands for the public, but the land can be set aside for decades to serve a specific need, such as to support military readiness and testing.

McCarthy is hoping to enhance the station's strategic importance to the Navy, and in the process, secure its future as a driving force for the regional economy. He told lawmakers that the last major expansion at China Lake took place in the 1950s, but since then, its mission has grown. He said he is trying to get the base's fence line to match its restricted air space as much as possible, which he said would improve safety.

McCarthy's bill would add 25,000 acres to the naval base, including about 7,500 acres that were part of a bombing range in San Bernardino County, as well as an additional 19,000 acres along the station's southwest boundary.

Mouritsen said the BLM cannot support adding the 19,000 acres. She called it a popular recreation area with trail riding, camp sites and hunting. She also called it an important wildlife corridor, including for the threatened desert tortoise.

"It's reasonable to believe that the desert tortoise could be better protected, allowing it to recover more quickly," McCarthy said of expanding the base.

McCarthy said the Navy has commended China Lake for its stewardship of the environment and considers it a model for all of its installations. He said munitions would not be exploded on the newly acquired lands.

Source: Stripes, 29th April, 2014

#### **US Bill Seeks Report on Maritime Power**

A new bipartisan bill calling on the Pentagon to provide a detailed report on the cross-strait balance of maritime power has been introduced into the US Congress. The Asia-Pacific Region Priority Act contains three major sections and 14 specific recommendations aimed at enhancing the US' focus, understanding and capabilities for "sustaining peace and prosperity" in the region.

The recommendation concerning Taiwan is in a section on security trends and would require an analysis of cross-strait naval forces. A Congressional source who asked not to be named because he was not authorized to speak on the subject said that if the bill passes, it could emphasize Taiwan's need for diesel submarines.

"Any report on the balance of naval power in the Taiwan Strait will highlight Taiwan's lack of submarines," he said, adding that this could increase congressional support for helping Taiwan obtain diesel submarines, which are no longer made in the US.

"We will have the [US] Department of Defense submit a report on the cross-strait balance of maritime forces between China and Taiwan and we will encourage an annual report of the Chinese military to include activities of the State Oceanic Administration because the Chinese are now incorporating many of their activities with their coast guard," Seapower subcommittee chairman Representative J. Randy Forbes said.

Forbes said that new analysis was necessary to carry the US' defensive strategy into the next decade. Forbes said the bill called for number of studies — including the Taiwan maritime balance with China — because they had not yet been done comprehensively. Asked why the Chinese coast guard would be included in the maritime balance, Forbes said: "Oftentimes when you talk about the Chinese military and expenditures, that's only a fraction of what they're actually spending.

"If you look at recent activities they've had, they've started incorporating their coast guard. We at least need an assessment of that so we know what the coast guard is doing and how they're doing it. We think they have been changing how they've utilized their coast guard," he said.

The new bill supports greater US focus on the Asia-Pacific, condemn coercive attempts to handle maritime disputes, reaffirm commitment to the US-Japan alliance and ask for a report on US-Korea security and trade cooperation. It also calls for a study of Chinese naval modernization, asks the Pentagon to establish an office to oversee unmanned defense systems and directs the US Secretary of Defense to identify opportunities for increasing missile defense cooperation with allies.

Source: Taipei Times, 30th April, 2014



# SHIPPING



#### Maritime Industry of Ghana Lacks Broad Policy

The Chief Executive Officer (CEO) of the Ghana Shippers' Authority (GSA), Dr Kofi Mbiah, is advocating a comprehensive policy framework for the maritime trade and transport industry in the country. The policy, he said, should integrate the various segments of the industry, while taking into consideration the long-term vision of the country for maritime trade and transport. The policy, he said, could be relied upon for a robust and sustainable future development of the maritime sector. The policy should take cognizance of the complementarity of the modes, the deep technological penetration permeating various fields of the industry and the specialised human capital needed to position the industry as a key driver to economic transformation of the country. These, he said, should guide the country to map out its entire coastline and delineate areas for fishing, tourism and pleasure, exploitation of hydrocarbons and the development of ports.

He, however, explained that the development of the policy required a wider consultation with the various stakeholders in the industry to ensure that it stood the test of time. In Ghana, the technical aspects of the industry is regulated by the Ghana Maritime Authority (GMA), which is mandated to monitor, regulate and coordinate activities within the country's maritime industry.

Source: Ghana Web 15th April, 2014

# Port Of Rotterdam Partners With TOC Worldwide

Port of Rotterdam, Europe's leading port, signed a global partner deal with TOC Worldwide, organizer of the global TOC portfolio of port-centric maritime trade and supply chain events. The two partners said that the new agreement reflects a mutual commitment to foster greater dialog and cooperation across international supply chains at a time when global freight transport is facing significant new challenges. Handling around 450 million tons of cargo annually, including nearly 12 million twenty-foot equivalent units (TEUs) of container traffic, Rotterdam is a key global junction for goods flow, Europe's largest maritime logistics and industrial hub, and the gateway to a market of over 350 million European consumers.

The Port of Rotterdam Authority is currently overseeing a major investment and innovation program aimed at cementing the port's position as a global hub for containers, fuel and energy, and the leading hub for intra-European trade. This includes the development of a new container port infrastructure at the Maasvlakte 2 site, a growing range of projects to promote better hinterland connectivity and cargo

flows, and research into new sustainable energy generation and power management solutions for the whole port community.

"Both at the port and in the hinterland, cooperation in the supply chain is the key to success," said Joyce Bliek, director of containers and break bulk at the Port of Rotterdam. "Chain-wide solutions are needed to foster the new efficiencies needed to cope with the scale of current and future cargo flows." "One of our key roles as a port authority is to bring the different parties together to effect positive change," continued Bliek. "Rotterdam has a long and rich history of exploring new frontiers, and pursuing innovation involving thousands of different companies and partners around the globe. We believe that sharing information leads to new perspectives, and a change of perspective leads to new results and progress."

Since launching its first conference in Europe back in 1976, TOC brings industry executives together from across the globe to chart the changing face of maritime trade, shipping and port operations. Nearly 40 years later, today the organizer stages four events annually around the world, including TOC Asia (Singapore, April), TOC Europe (London, June), TOC Americas (Cartagena, October), and this year, the new TOC West Africa Market Briefing (Tenerife, December).

Source: Supply and Demand Chain Executive, April 15, 2014

#### Libyan Port To Reopen After Damage Assessed

Libya's eastern oil port of Zueitina, which had been occupied by rebels as part of an eight-month oil blockade, will reopen after damage at its facilities has been assessed, the country's justice minister said on Sunday.

A committee to investigate oil corruption had been formed, as agreed under a deal between the government and rebels to end a blockade of eastern oil ports. The reopening of four oil export terminal has been delayed with the rebels accusing the government of not fulfilling all parts of the deal, such as paying financial compensation. Under the agreement the rebels will be reintegrated in a state oil security force from which they defected last summer when they occupied ports to press for a share of oil exports.

The Ministry of Defense was going through staff lists to make sure payments would be made according to the law. He warned that failure of the agreement could lead to bloodshed in the North African country struggling with turmoil three years after the ouster of Muammar Gaddafi. Diplomats expect both sides to implement the deal eventually as the country badly needs the oil revenue, but tactical manoeuvres and mutual mistrust are likely to cause delays. The row is part of chaos in the OPEC producer where the government cannot control militias who helped oust Gaddafi but

have held on to their weapons to make demands by seizing oilfields or government ministries.

So far the only port to resume work is Hariga in Tobruk, which has a daily capacity of 110,000 barrels. Both Zueitina and Hariga had meant to reopen immediately after the signing of the deal last month, with the larger terminals RasLanuf and Es Sider restarting after more talks.

Sources close to the talks say part of the problem is that some rebels at Zueitina terminal had demanded to be put on the government payroll, a strategy used before in post-Gaddafi Libya to put pressure on a weak central government.

Protests at oilfields and pipelines have also crippled oil production in the west, reducing output to around 220,000 bpd from 1.4 million bpd last summer.

Source: Maritime Executive, 27th April, 2014

## Low Sulphur Fuel Oil Availability A Burning Issue of Shipping Industry

More clarity and knowledge of the pending issue of the introduction of low sulphur fuels throughout the maritime spectrum is the main need for ship owners, in order to be able to work out their future needs and plan their investment policies. This has become a burning issue among the industry, as noted in the latest weekly report from shipbroker Gibson. The London-based shipbroker noted that "earlier this month the Marine Environmental Protection Committee (MEPC) held its 66th session at the International Maritime Organization (IMO) and delivered the results of their latest deliberations on several issues which will have a significant impact on the whole shipping industry. The MEPC is perhaps the most influential body within the IMO in terms of setting down proposals and the timescales for any impending legislation affecting the whole industry".

According to Gibson, "the most significant area of interest at the IMO is the MEPC consideration of the review of the timing of the implementation of the global sulphur limits. In particular, to determine if there will be enough availability of fuel oil to comply with the standard set out in the regulation. As a result of the latest meeting the MEPC has agreed to set up a correspondence group to recommend whether the global 0.5% sulphur limit should be implemented in 2020, or deferred to 2025. The correspondence group will report back in October this year, and if its terms of reference are accepted, the study will be set in motion and make recommendations to the IMO in 2017. However, whatever the eventual outcome of any IMO study, the European Union has already fixed the date for their "sulphur directive" in EU territorial waters at 2020 even if there is a delay in the introduction of the 0.5% global sulphur cap. Effectively this will mean that in 2020 a 0.1 % permissible sulphur

content will apply within the European ECA and 0.5% level in the remaining EU territory", Gibson noted.

The shipbroker added that "on the issue of the availability of sufficient low sulphur fuel by 2020, the industry appears divided. A joint UK/Netherlands paper on this subject refers to a refinery analysis which indicates that refining capacity in 2020 will exceed demand for low sulphur fuels which will reduce the price. However, another industry expert recently said that refiners are being constrained by the lack of upgrading in Europe, minimal upgrading in the US and the possibility of delays in the new Middle East capacity. This may indicate a significant price differential within different bunkering regions and more products would require shipment to the areas of requirement. This scenario could put further pressure on supply and increase the fuel prices. The average HSFO fuel price in Rotterdam averaged \$598/tonne in 2013. MGO prices were 30% higher at just over \$900/tonne during the same period. Whatever the outcome of the IMO deliberations, the industry eagerly awaits more clarity as to what the long term global policy will be as many key investment decisions hang on the results of the MEPC recommendations", Gibson concluded.

Source: Carbon Positive, 29th April, 2014



# MARITIME ENVIRONMENT



## **Canada Aims to Ease Whale Protection**

Canada has recommended taking humpback whales off the "threatened" species list, two months before the government is due to decide whether to approve a proposed pipeline that would lead to half a million barrels of oil being shipped through their Pacific marine habitat every year.

The Department of the Environment released a document that recommends the North Pacific humpback whales should now be labeled a "species of special concern." The change of classification means the humpback's habitat would no longer be protected under Canada's Species at Risk Act, thereby removing some of the risk of legal battles with environmental groups that could scupper Enbridge Inc's controversial Northern Gateway pipeline project.

The recommendation stems from a 2011 study that found the whale population had increased since it was first listed under Canada's Species at Risk Act in 2005. It is now in the hands of the Governor in Council, which can amend the legislation after a 30-day response period.

The government's document does not draw a connection between the Northern Gateway project and its recommendation on humpbacks. Northern Gateway would carry crude from Alberta's oil sands to the northern British Columbia town of Kitimat for loading on tankers that would sail through the Douglas Channel, a breeding and feeding ground for humpback whales.

As a threatened species, the humpback's critical habitat was legally protected, leaving the door open for court challenges around the potential impact of development on those waterways. Under the new classification, the whales and their habitats would not be legally protected by the Species at Risk Act, although developers would still need to mitigate potential dangers such as whales colliding with tankers, oil spills and shipping noise. The company has promised to take safety measures including reducing speeds of tankers to lower the probability of collisions and using remote detection and monitoring of whale populations.

A federal review panel has recommended approval of the project if Enbridge can meet 209 conditions, including measures centered around marine mammal management. The Conservative government has strongly supported the plan, though it has said it would only approve pipelines that are safe for people and the environment.

The decision to change the status of humpback whales prompted ire from Canada's official opposition, the New Democratic Party (NDP), which accused the government of overriding public concerns "to please their friends in the oil industry."

Mélanie Carkner, a spokeswoman for Fisheries and Oceans Canada, said humpback whales and their habitats would still be protected by the Fisheries Act and Marine Mammal Regulations. While humpback populations have made a comeback in recent years, environmental groups are concerned that increased shipping in the Douglas Channel could threaten them.

"Their recovery isn't complete and we still need to be working to protect them the best way we can," said Linda Nowlan, regional director, B.C. and Pacific, for World Wildlife Fund Canada. "It's kind of ironic that the best form of protection is being removed at a time when the threats are increasing."

SOURCE: Reuters, 22<sup>nd</sup> April, 2014

## **Arctic Threat to Spain's Beaches**

The beaches of Spain could be underwater by the end of the century if global warming continues at its current rate. In a hard-hitting report *titled Heading for extreme climate: Risks of not stopping global warming and the destruction of the Arctic* by Greenpeace, the environmental group shows how a large chunk of the country's coastline would disappear as the sea would come half a kilometre inland.

All this will have happened by the end of the 21st century and, and in 86 years tourist hotspots such as Marbella and Benidorm might submerge under the waves.

Spain's branch of Greenpeace, led by Pilar Marcos and Mario Rodríguez, have petitioned Spanish Prime Minister Mariano Rajoy to avoid agreeing to any exploitation of the Arctic, which is already considering the business opportunities for fishing and transport present at the Arctic. The report recommends the Arctic to be left as a 'sanctuary', with no drilling for oil or gas and no fishing. According to Marcos and Rodríguez, the Arctic is melting at twice the rate of the rest of the planet, and has lost enough ice in the last four years to cover mainland Spain three times over.

Source: Olive Press 24th April, 2014