

MAKING WAVES

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China wants to deepen strategic cooperation with India

During President Hu Jintao's meeting with Prime Minister Manmohan Singh in New Delhi on the sidelines of the BRICS summit, the former is said to have firmly reiterated China's steadfast policy of pursuing Sino-Indian friendship, deepening strategic cooperation and seeking common development. This was reported by a Chinese Foreign Ministry spokesperson, who also told the media that the two leaders expressed their willingness to elevate bilateral ties to a "strategic partnership".

According to Chinese state-run Xinhua news agency, President Hu put forward a five-point proposal on promoting Sino-India relations to the Indian Prime Minister Singh, which included maintaining high-level contacts, increasing political mutual trust, expanding official exchanges, strengthening strategic communication, and carrying out dialogues on new topics such as maritime cooperation. The Chinese President also suggested that the two countries should enhance economic policy coordination and cooperate in the fields of infrastructure, information technology, mutual investment and environmental protection. He urged both sides to push forward border talks in the spirit of peace, friendship, equality, mutual respect and mutual understanding so as to jointly safeguard peace and security on the borders and called for strengthening communication and coordination to expand cooperation in international affairs.

Source: [The Pioneer](#), 30 March

India, China, Japan agree to coordinate on anti-piracy front

Strengthening their anti-piracy efforts in the Gulf of Aden, India, China and Japan have agreed for better coordination among their navies for deployment and escorting merchant vessels.

Informing the Rajya Sabha, Defence Minister A K Antony said, "India, China and Japan have recently agreed for better coordination amongst their Naval ships deployed for anti-piracy operations in the Gulf of Aden." He said that as per the convoy coordination plans implemented with effect from Jan 1, 2012, one of the navies is designated as "Reference Navy" for a period of three months, which first proposes its escort schedule for a similar time period. The other navies then de-conflict their escort schedules with the dates of Reference Navy and the latter is rotated every three months in alphabetical orders.

Source: [Economic Times](#), 14 March

Visits by Navy Ships to boost Saudi-India maritime ties

The Indian Naval Cadet Training Ships INS Tir, INS Shardul and ICGS Veera docked at Jeddah port on a good will visit in Saudi Arabia. The commanding officer and captain of the ships interacted with their counterparts in the Western Naval Fleet of the Royal Saudi Navy. The ships, carrying more than 600 navy personnel, including approximately 100 young sea cadets for training, started their journey on March 10 from Kochi and left for Jeddah and Safaga, Egypt.

Speaking to Arab News India's Defense Attaché in Riyadh Col. Ajay Kumar said the visit is primarily aimed at giving a boost to the existing friendly relationship between the two navies of India and the Kingdom. It also inculcates the spirit of adventure in young officers and cadets.

Source: [Arab News](#), 29 March

India, S Korea to boost security, trade ties

Seeking to expand their strategic ties, India and South Korea agreed to step up political and security cooperation, as they vowed to double the bilateral trade to an ambitious \$ 40 billion by 2015. Noting that bilateral trade had risen by 65 % over the past two years since the implementation of the Comprehensive Economic Partnership Agreement, Prime Minister Manmohan Singh affirmed India's strong commitment to economic ties with South Korea. Since the implementation of CEPA from January 1, 2010, bilateral trade between India and South Korea has crossed \$ 20 billion mark. The trade target therefore, has been enhanced to \$ 40 billion by 2015, as against the earlier figure of \$ 30 billion.

The Indian Prime Minister also assured South Korean President Lee on the implementation of the \$ 12 billion Posco steel project in Odisha. The Posco project, has been dubbed as the single largest foreign direct investment in India. The two leaders also reaffirmed the importance of implementing the Posco project in the State of Odisha.

Next year marks the 40th anniversary of the establishment of diplomatic relations between India and the Republic of Korea and the two countries also agreed to celebrate the occasion in a befitting manner.

Source: [Hindustan Times](#), 25 March

India to offer warships to African, Middle-east nations

Exploring new export markets for its vessels, defence undertaking Goa Shipyard is offering its smaller size naval vessels to countries in Africa and the Middle East.

A Nigerian delegation headed by a senior Navy officer visited the shipyard recently. The delegation was headed by Senator Chris N D Anyanwu, the Chairperson Senate Committee on Nigerian Navy and held discussions with GSL chief Rear Admiral (ret'd) Vineet Bakshi. The delegation was informed about the modernisation programme and progress made thereof. GSL is one of the main shipyards building vessels for the Indian Navy and Indian Coast Guard.

Source: [Economic Times](#), 13 March

Mhadei goes around the world

Abhilash Tomy is the skipper of the Indian Naval Sailing Vessel (INSV) Mhadei, the first Indian vessel to circumnavigate the world solo. The vessel is in Kochi, on a voyage to South East Asia. The next voyage of the vessel, a non-stop solo circumnavigation of the globe, is scheduled to begin in November this year.

The 56-foot yacht, known as 'Van de Stadt Tonga 56' would cover a distance of 5,000 nautical miles (almost 9,260 km) during its voyage. Built in Goa, the Mhadei was inducted into the Navy on February 12, 2009. It was the first Indian-built yacht, skippered by an Indian to circumnavigate the globe. The vessel created history when Commander Dilip Donde of the Navy successfully completed his solo circumnavigation around the world on May 19, 2010

Source: [IBN Live](#), March 30



Indian Defence budget hiked by 17.6 pc

With several crucial acquisitions in the pipeline, the defence budget has got a robust hike of 17.6 per cent with the maximum amount of modernisation funds allocated for the Air Force that is hoping to finalise a multi-billion dollar contract for new generation combat aircraft.

The Rashtriya Rifles that is deployed in J&K is also set for a major modernisation drive with the government earmarking an almost 25-fold hike in capital funds. Its capital budget has gone up from Rs 10.43 crore last year to Rs 252 crore.

India's military expenditure remains less than 2 per cent of the GDP, a parameter that is rare for a nation on a major modernisation drive. While last year the budget was pegged at 1.83 per cent of the GDP, this time there has been a marginal increase to 1.9 per cent of the GDP. Of the Rs 1.93 lakh crore defence budget, close to 41 per cent or Rs 79, 579 crore has been earmarked for capital acquisitions.

Despite the ministry failing to spend 4 per cent or Rs 3,055 crore of the capital acquisition funds last year, the fund has gone up by 15 per cent this year with a bulk earmarked for the Indian Air Force. The Air Force will get over Rs 29,853 crore for modernisation this year. Navy will get over Rs 23,865 crore. The largest capital head is for the acquisition of new aircraft for the IAF at Rs 23,701 crore. A multi-billion dollar contract for new fighters, in all likelihood the French Rafale, is set to be signed this year.

The Navy has also got a significant amount of Rs 13,617 crore for modernisation of its fleet with several new warship acquisitions in the pipeline. The Navy has also been allocated Rs 5,303 crore to purchase new maritime role helicopters as well as surveillance aircraft. The budget for the modernisation of shipyards — a major thrust area for the ministry that is hoping to develop the Hindustan Shipyard into a world class facility — has also been doubled to Rs 1,039 crore from last year's Rs 508 crore.

The Army has got the lowest share of the capital budget — Rs 18,828 crore — for modernisation. While the Army heavily overspent on purchases of aircraft and aero-engines and heavy vehicles last year, almost Rs 2,000 crore earmarked for 'other projects' like artillery purchases could not be utilised.

The capital budget for research and development for the three forces has, however, remained static at Rs 4,640 crore, a minuscule Rs 18 crore hike from last year.

Source: [Indian Express](#), 17 March

Brahmos missile with new systems test-fired

India test-fired the Brahmos supersonic cruise missile with certain new systems from the Integrated Test Range at Chandipur off Odisha coast. The test comes two days after defence scientists conducted a similar trial from the same site.

The missile was test fired from a ground mobile launcher from the launch complex-3 of the ITR at about 1000 hours. The supersonic missile, which has a flight range of up to 290 km, is capable of carrying a conventional warhead of 200 to 300 kg.

The exact results would be ascertained after thorough analyses. The trial was significant as it was conducted two days after a similar test fire of the cruise missile from the same site on March 28. The cruise missile, a surface-to-surface land version, was test-fired in the presence of scientists of the Defence Research Development Organisation.

The two-stage missile, the first one being solid and the second one ramjet liquid propellant, has already been inducted into the Army and Navy. While induction of the first version of the Brahmos missile system in the Indian Navy commenced from 2005 with INS Rajput, it is now fully operational with two regiments of the Indian Army. The air and submarine launch versions of the missile system are in progress. The Army has so far placed orders for the Brahmos missile to be deployed by three regiments of the Army and two of them have already been inducted operationally. The Defence Ministry has also given a go-ahead to the Army to induct a third regiment equipped with the missile system to be deployed in Arunachal Pradesh along the China border. 'Brahmos Aerospace' is also working to develop the air as well as the submarine launch version of the missile system and work on the project is in progress.

Source: [Times of India](#), 30 March



Shipping Min for subsidy to shipyards

Arguing that soaring costs and adverse tax structure have severely reduced the competitiveness of Indian shipyard sector, the shipping ministry has sought the approval of a Committee of Secretaries (CoS) on extending a financial subsidy to struggling shipyards. It has also pitched for exempting the sector from the purview of service tax and according infrastructure status to it.

In a recent note to the CoS headed by cabinet secretary Ajit Seth, the shipping ministry pointed out that currently the maritime trade in India remains largely dependent on foreign vessels given the domestic capacity constraints and nations like China, Japan and South Korea have stolen the march by hugely developing their domestic shipyard industry. On the contrary, Indian shipyards are highly import-dependent and pay customs duty of up to 35 per cent and are forced to create inventories at higher costs.

Moreover, the high lending costs within the country as compared to East Asian nations coupled with adverse structure and high insurance costs have immensely reduced the competitiveness of domestic shipbuilding industry. The government introduced a subsidy scheme between 2002 to 2007, following which, the industry witnessed unprecedented growth. This resulted in new orders rising from 0.01 Draught Weight Tonnage (DwT) to 3.4 Million DwT besides leading to

upscaling the level of indigenisation to 16.2 per cent. But the withdrawal of the subsidy scheme in 2007 saw this dip sharply to 5.1 per cent only by 2010.

Based on the projects, the ministry's subsidy proposal entails an expenditure of Rs 7243 crore for initial five years from 2012-13 to 2017-18. Further due to delivery of vessels for orders obtained in the last few years, the subsidy scheme may spill beyond this period for another nearly three years.

The shipping ministry told the CoS that since shipbuilding and ship repair are non-tariff protected, even for domestic orders shipyards have to compete with global players, who are able to service Indian ships without having to pay any tax.

Source: [Indian Express](#), 29 March

Increase in cargo traffic at Indian major ports.

India's major ports have handled cargo traffic of 511 million tones during April-February of 2011-12, registering an increase of 1.59 percent over the same period during last year. Commodities like Coal, Container and Other Cargo posted growth of over 5 percent, others like Fertilizers and Fertilizer Raw Material and petroleum cargo posted growth of less than 2 percent. While Ennore Port recorded highest growth in traffic at 47%, Cochin Port stood second at 13.7% followed by VO Chidambarnar Port at Tuticorin in Tamil Nadu at 13.2%. Vasan added that amongst the major Ports, Kandla Port handled the maximum cargo of 75.4 million tones with a share of 14.8% in total cargo handled at major ports followed by Visakhapatnam with a share 12.2% and JNPT with a share of 11.8% which stood second and third respectively.

The 12 Major Ports account for 75% of the total cargo by volume handled at Indian Ports. 95% of India's foreign trade by volume and 70% by value are transported through sea. Cargo traffic in iron ore (mainly export) in particular was adversely affected during April-February, 2011-12 and dropped by 28.6 per cent. In terms of composition of cargo traffic handled at major ports, the largest commodity group was petroleum products with a share of 32 % followed by 21 % of Container traffic. Cargo, Coal, Iron ore and fertilizers contributed 17.8, 14.0, 11.0 and 4 percent respectively.

Ports like Mormugao, Haldia Dock Complex, Chennai Port, Paradip and Kolkata port registered negative growth during the same period. The Members of Parliament have given various suggestions for improving the working of these ports. One of the suggestions was the need to urgently fill up vacancies in various ports. Another important suggestion was that various Ports should take adequate pollution control measures. The need for a proper Disaster Management Policy was also suggested.

Source: [Economic Times](#), 28 March

Need for investment in India's port sector.

A staggering sum of over Rs 1.5 lakh crore investment is required in the country's port sector in the next five years, of which a major chunk is expected to come from the public-private partnership, the Economic Survey said.

"Investment required for ports sector development during the 12th Plan would be about Rs 1.55 lakh crore. Capacity augmentation and efficiency improvement would require increased investment from the private sector," it said. Private participation is needed particularly for mechanisation of cargo handling, improvements of drafts at the ports, strengthening port connectivity by building road and rail links, and technology upgradation and automation. Capacity expansion of ports in the 12th Plan is proposed largely through private sector investment and internal accruals. It would be a challenge to garner about 80 per cent (about Rs 1.23 lakh crore) of the required investment through PPP (public-private partnership), it added.

Ministry of shipping proposes to develop two new major ports -- one each on east and west coasts -- and build facilities for full mechanisation of cargo handling and movement, besides two hub ports each on the west and east coasts -- Mumbai (JNPT), Kochi, Chennai, and Visakhapatnam. Charter rates are the rates of hiring a tanker. Port and offshore operations, and other factors are expected to contribute substantially and provide a support level for the sector's total sales during the year. During 2012-13, sales are expected to grow by 5.7 per cent, the survey said.

The global shipping industry witnessed turbulent times last year due to economic slowdown. On the other hand, for domestic sector, small window of relief came during the period after economic slowdown in 2008. While the bulkers and tankers segments have seen a downturn, the offshore segment and sub-sea vessels has ensued cash visibility for companies, it said.

Source: [Times of India](#), 15 March



Sea surface warming affects fish harvesting in Sundarbans

According to the survey carried out jointly by the Centre for Science and Environment (CSE) and Department of Marine Sciences of University of Calcutta, sea surface warming has led to a

significant change in fish habitat in the Sundarbans over the past two decades. This has affected fish harvesting in the region. Fishing is the largest employment generator after agriculture in the delta. Sundarbans, the single largest block of tidal mangrove forest shared between India and Bangladesh, is spread over hundreds of islands and has rich bio-diversity. The region is also a major source of a range of commercially important fish like Hilsa (*Tenualosa ilisha*), Antenna fish (*Sillaginopsis panijus*), Indian mackerel (*Rastrelliger kanagartha*), Jew fish (*Pama pama*), Ray-finned fish (*Arius jella*) and others.

According to the survey, the sea surface temperature (SST) in the Bay of Bengal has been increasing at the rate of 0.5 degree Celsius per decade since 1980 (compared this with the global increase of 0.06 degree Celsius per decade between 1970 and 1999). Increasing temperature has impacted the marine habitat and evenness of availability of different fish species.

The study carried out in Western and Central Sundarbans area, commercial fishes catch have declined by nearly a third as compared to other species. Most of the commercial fish varieties go deeper into the water, thereby impacting harvest ratios substantially. Over a two-decade period beginning 1990 commercially viable fish percentage (in a catch) has reduced to 37 per cent from the previous 75 per cent in Central Sundarban region. Similarly, there was a jump in non commercial fish catch to 40 per cent from the previous 35 per cent in Western Sundarbans during the period.

Source: [Hindu Business Line](#), 9 March



Cautionary tales from the high seas

K.V. Prasad

The killing of two innocent Indian fishermen allegedly by Italian marines has triggered a debate on the efficacy of allowing private maritime security companies on merchant vessels in the battle against piracy on the high seas.

According to estimates, 35 per cent of ships that transit through the Gulf of Aden and the Arabian Sea deploy armed guards. There have been no reports of hijacking of such ships.

In August 2011 the Government of India approved guidelines permitting the deployment of armed security guards on merchant vessels, three months after the International Maritime Organisation (IMO) circulated its own draft guidelines on the subject. Both in the IMO, and in

the meetings of the Contact Group on Piracy off the Coast of Somalia — countries that have voluntarily come together pursuant to the U.N. Security Council Resolution 1851 on piracy — several countries agreed to deploy armed guards, but flagged some issues as areas of concern that remained to be sorted out.

According to a background note prepared by the government to its guidelines, these included deploying military personnel as against private security guards and the possible “infiltration” by terrorists or other unlawful elements; the possibilities of escalation of violence at sea; issues of liabilities for injuries or deaths of innocent fishermen and seafarers; transit of merchant ships with armed security guards through territorial waters of a coastal state using right of “innocent passage” granted under the provisions of United Nations Convention on the Laws of the Seas (UNCLOS); the facilitation that would be required from coastal states for the embarking or disembarking of security guards from merchant ships; and questions over chain of command — the Master of the ship has over-riding authority, as mandated by the International Convention for Safety of Life at Sea (SOLAS) — that may arise by deploying military personnel on board.

Guidelines

The Ministry of Shipping of the Government of India has not endorsed the use of armed guards on merchant ships. But given the threat to shipping from pirates it has allowed the Indian ship owners to deploy armed security guards, and prepared guidelines for this after consulting different agencies and the Indian Navy. It has also made clear that it is the ship owners who must make the risk assessment.

Among the guidelines suggested was that before ship owners finalise contracts with a private maritime security company, they should do due diligence on the company structure, its ownership, insurance and seek other documentation including police records, and run a check on its employment history.

The guidelines are also clear that when ship owners enter into a contract with a private maritime security company, they should ensure that the command and control structure remains with the Master/ship's officer and that the role of the armed guards' team is both clearly defined and documented.

The Chief of the Southern Naval Command, Vice-Admiral K.N. Sushil, told *The Hindu* recently that at all times the responsibility of the armed guards should rest with the Master of the ship. This empowerment would not only ensure a clear command structure but also make the Master accountable, and more diligent about first ascertaining the bonafides of an approaching vessel.

Before arriving at a conclusion that an approaching boat or a skiff had pirates, he said, a Master must ascertain its intention. The Master could order the vessel to undertake evasive manoeuvres

— that is change the ship's course — to establish whether the approaching boat was on its own course or if it was chasing his vessel. In case it continued to approach the vessel, the Master could order the guards to take necessary action by firing to deter the pirates from boarding the ship.

The guidelines issued by India are categorical that the armed guards on board a vessel should remember that their primary function is to prevent boarding by pirates by using minimal force, and undertake all responsible steps to avoid the use of force.

The guidelines also state that the private guards should not use firearms against persons except in self defence or defence of others against the imminent threat of death or serious injury to prevent the preparation of a serious crime involving grave threat to life.

In the wake of the tragic incident off the Kerala coast, India has starting issuing navigational warnings sensitising transiting merchant vessels about fishing activities in the area. The International Maritime Bureau Piracy Reporting Centre based at Kuala Lumpur has also issued an advisory.

As the Indian Navy does not want to take on the job of providing security to merchant vessels, there is a move to involve the Central Industrial Security Force and the modalities of this are being worked out. It is for the IMO and countries affected by piracy to draw the right lessons from the incident off the Kerala coast and decide on how to streamline the different sets of existing guidelines in various countries into a comprehensive internationally accepted law.

Source: [Hindu](#), 15 March