

# MAKING WAVES

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**Editorial Team:**

Cdr. Abhijit Singh  
Mr. Jithin S George

**Address:**

National Maritime Foundation  
Varuna Complex, NH-8, New Delhi-110010, India  
Email: [maritimeindia@gmail.com](mailto:maritimeindia@gmail.com)  
Visit us at: [maritimeindia.org](http://maritimeindia.org)

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## India and Israel Boost Naval Ties

India and Israel have moved towards revitalising naval ties. India not only shares strategic and security concerns with Israel, but the latter is also New Delhi's second largest trading partner in Asia. India is also Israel's second largest trade partner in Asia with bilateral trade (excluding military sales) amounting to \$4.7 billion (Rs.23,500 crores). There are three mutual strategic interests that have enhanced defence and security ties between Tel Aviv and New Delhi. These include the fight against terrorism and radical Islam, concerns over proliferation of Weapons of Mass Destruction and long-range missile technology, and the growing interest of the two states in the Indian Ocean.

Israel, from its inception, recognised the need for good intelligence and accordingly established Mossad for foreign operations, Shin Bet for internal security and Aman for military intelligence. India needs effective and actionable intelligence to help counter both internal and external threats such as those posed by Islamic fundamentalists and other organisations like the Naxalites and United Liberation Front of Asom (ULFA). There is thus ample scope of cooperation in this field. Cooperation in intelligence and counterterrorism has further strengthened bilateral military ties, especially after Israeli Prime Minister Ariel Sharon's 2003 visit to India.

India is already the largest buyer of Israeli military equipment. India's defence business with Israel has crossed \$9 billion and is growing, thus making Israel second only to the Russian Federation as a supplier of defence equipment to India. Defence relations between the two countries, however, extend beyond supply of weaponry and include training as well as research in military technology and space.

Arms sales from Israel's Military Industrial Complex form the backbone of their economy. There are nearly 150 defence firms in Israel with combined revenues estimated at \$3.5 billion (Rs.17,500 crore). Israel developed its Military Industrial Complex primarily due to security compulsions, being surrounded largely by a hostile environment. This also helped in their becoming self-reliant by carrying out import substitution and led to their gradually becoming the fourth largest exporter of defence equipment in the world after the US, Russia and France. Israel has acquired expertise in diverse fields including small arms, ammunition, communications, force multipliers, remotely piloted vehicles, Electronic Warfare and related systems and night vision devices. Naval equipment ranging from command and control systems, missiles and anti-missile systems to a variety of patrol boats and up-gradation of weapons platforms (especially with respect to optronics and avionics) are other areas of expertise. One major advantage of

Israeli military hardware is that their systems are battle proven and work well in desert environment.

Defence cooperation including arms sales has been the major pillar of India's ties with Israel since diplomatic relations were established between the two countries in 1992. This cooperation has been continuously expanding and today it forms the core of the Indo-Israeli relationship. The initial 'buyer-supplier' relationship which started with Israel selling weapon systems and technologies to India has now matured into joint ventures for development of weapon systems and technologies. This has signalled a new phase in the military relationship resulting in greater trust and synergy between the defence establishments of the two countries. Israel gets considerable resources to finance the development of new weapons systems and technologies and the country's limited domestic market required Israeli defence industries to generate revenues through export of military products. With its growing defence budget, India is an extremely attractive partner for Israel. In the bargain, India also has a reliable partner ready to assist India in developing advanced defence technologies on its route to becoming self-reliant.

#### *Indo-Israeli Naval Cooperation*

**Super Dvora:** In 1997, India purchased two Ramta Super Dvora Mark II attack boats from Israel Aerospace Industries (IAI) and got the licence to build the remaining at Goa Shipyard in collaboration with Ramta. A total of seven are in service. The Super Dvora Mark II is a high-speed patrol boat meant for a variety of naval missions from typical offshore coastal patrol mission profiles to high-speed, high-manoeuvre littoral warfare. Super Dvora Mark III is the latest generation of the Dvora family of Fast Patrol Boats or Fast Attack Crafts (FPB/FAC), manufactured by IAI Ramta and are capable of speeds up to 50 knots (93 km/h) in littoral waters. They could also be used by the Coast Guard. **UAVs Searcher and Heron:** The Indian Navy has acquired Searcher Mk2 and Heron Mk2 UAVs for carrying out maritime surveillance from IAI. They also contribute to coastal monitoring and intelligence gathering. The Searcher is reconnaissance UAV for gathering intelligence. It has a maximum speed of about 200 kmph, altitude ceiling of 6100 m and endurance of 18 hours. Heron is a medium-altitude long-endurance UAV developed by the Malat (UAV) division of IAI. It is capable of Medium-Altitude Long-Endurance (MALe) operations of up to 52 hours duration at up to 35,000 feet. It has demonstrated 52 hours of continuous flight, but the effective operational maximal flight duration is less, varying with the payload and the flight profile.

**Development of Unmanned Helicopter:** It has been reported that India and Israel have begun joint development of an unmanned helicopter capable of operating from a ship. It will have an automated takeoff and landing system for use on unprepared fields on land and from aircraft carriers at sea. It is understood to have been jointly developed by the Hindustan Aeronautics Limited (HAL) and IAI, Malat. The rotary wing UAV will also have dual automated

sophisticated operating systems for enhanced safety. It will be capable of carrying necessary radar payloads.

Israel's areas of expertise are electronic warfare, sensors, and command and control systems, and it is assisting India in the upgrade of maritime surveillance aircraft, maritime surveillance helicopters and ships including aircraft carrier Virat.

Source: Military & Aerospace, December 21

## **India-Japan relationship: Shared Values to Shared Interests**

*Brahma Chellaney*

At a time when the spectre of power disequilibrium looms large in Asia, the just-concluded visit of Prime Minister Yoshihiko Noda of Japan to India cemented a fast-growing relationship between two natural allies. Japan and India need to add concrete strategic content to their ties, including building close naval collaboration.

The balance of power in Asia will be determined by events principally in two regions: East Asia and the Indian Ocean. Japan and India thus have an important role to play to advance peace and stability and help safeguard vital sea lanes in the wider Indo-Pacific region, which is marked by the confluence of the Indian and Pacific Oceans.

Asia's booming economies are bound by sea, and maritime democracies like Japan and India must work together to help build a stable, liberal, rules-based order in Asia. As Prime Minister Manmohan Singh said at the East Asia Summit (EAS) meeting in Bali last month, Asia's continued rise is not automatically assured but "dependent on the evolution of a cooperative architecture."

Japan and India, as energy-poor countries heavily dependent on oil imports from the Persian Gulf region, are seriously concerned by mercantilist efforts to assert control over energy supplies and transport routes. The maintenance of a peaceful and lawful maritime domain, including unimpeded freedom of navigation, is critical to their security and economic well-being. In this light, Japan and India have already agreed to start holding joint naval exercises from the New Year. This is just one sign that they now wish to graduate from emphasizing shared values to seeking to jointly protect shared interests.

The fastest-growing bilateral relationship in Asia today is between India and Japan, despite their messy domestic politics and endemic scandals. Since they unveiled a "strategic and global partnership" in 2006, their political and economic engagement has deepened remarkably.

A growing congruence of strategic interests led to their 2008 Joint Declaration on Security Cooperation, a significant milestone in building Asian power stability. The joint declaration was modelled on Japan's 2007 defence-cooperation accord with Australia - the only country with which Tokyo has a security-cooperation declaration. The India-Japan security agreement, in turn, spawned a similar India-Australian accord in 2009.

A free-trade accord between Japan and India, formally known as the comprehensive economic partnership agreement (CEPA), entered into force just in August. By covering more than 90% of the trade as well as a wide range of services, rules of origin, investment, intellectual property rights, customs rules and other related issues, CEPA promises to significantly boost bilateral trade, which remains small in comparison with Japan's and India's trade with China.

Today, the level and frequency of India-Japan official engagement is extraordinary. Noda's New Delhi visit was part of a bilateral commitment to hold an annual summit meeting of the prime ministers. More important, Japan and India now have a series of annual minister-to-minister dialogues: a strategic dialogue between their foreign ministers; a defence dialogue between their defence ministers; a policy dialogue between India's commerce and industry minister and Japan's minister of economy, trade and industry; and separate ministerial-level energy and economic dialogues.

In addition, Japan and India, along with the U.S., have initiated a trilateral strategic dialogue, whose first meeting was held in Washington just on December 19. Getting the U.S. on board can only bolster the convergences of all the three partners and boost India-Japan cooperation. As Japanese foreign minister Koichiro Gamba said recently, "Japan and the U.S. are deepening a strategic relationship with India," and the trilateral dialogue is "a specific example of collaboration" among the three leading Asia-Pacific democracies. Such collaboration is likely to become quadrilateral with Australia's inclusion.

Bilaterally, Japan and India need to strengthen their still-fledgling strategic cooperation by embracing two ideas, both of which demand a subtle shift in Japanese thinking and policy.

One is to build interoperability between their formidable naval forces. These forces - in cooperation with other friendly navies - can undergird peace and stability in the Indo-Pacific region. As former Japanese Prime Minister Shinzo Abe put it in a recent speech in New Delhi, the aim should be that "sooner rather than later, Japan's navy and the Indian navy are seamlessly interconnected." Presently, Japan has naval interoperability only with U.S. forces.

Another idea is for the two countries to co-develop defence systems. India and Japan have missile-defence cooperation with Israel and the US, respectively. There is no reason why they should not work together on missile defence and on other technologies for mutual security. Their defence cooperation must be comprehensive and not be limited to strategic dialogue, maritime cooperation, and occasional naval exercises.

Japan and India should remember that the most-stable economic partnerships in the world, including the transatlantic ones and the Japan-US partnership, have been built on the bedrock of security collaboration. Economic ties that lack the support of strategic partnerships tend to be less stable and even volatile, as is apparent from Japan's and India's economic relationships with China.

Through close strategic collaboration, Japan and India must lead the effort to build freedom, prosperity and stability in the Indo-Pacific region.

Source: Economic Times, December 29



## **Indian Navy to get Russian Nuclear Submarine**

Indian Navy is all set to receive a major boost when the much-awaited Akula-II class 'Nerpa' nuclear attack submarine is handed over by Russia this month end on a 10-year lease.

The submarine, capable of remaining underwater for months, will be re-christened 'INS Chakra' and it would be for the first time in more than two decades that the Indian Navy would have a nuclear attack submarine.

The Akula-II class submarines are equipped with 28 nuclear-capable cruise missiles with a striking range of 3,000 km. The Indian version is reportedly expected to be armed with the 300-km Club nuclear-capable missiles.

According to Russian sources, India is getting 'Nerpa' in a deal worth USD 900 million. India had funded the completion of the Nerpa nuclear submarine at Amur Shipyard before the collapse of the Soviet Union in 1991.

The Nerpa (K-152) was laid down at the Komsomolsk-on-Amur shipyard in 1993, but its completion was delayed by nearly a decade due to a lack of funds caused by the economic crisis

of the early 1990s. While undergoing sea trials in the Sea of Japan on November 8, 2008, an accident onboard caused the death of some 20 sailors and injury to 21 others. A fire suppression system discharged gas in the bow of the sub, suffocating civilian specialists and navy crew members.

The submarine is expected to be based at Visakhapattanam, where it will be taken by one of several Indian naval crews trained at Russian facilities.

Source: Economic Times, December 16

### **The US Pivot towards South-East Asia**

Even as the United States moves to refocus its attention on South-East Asia, it is keen to dispel “mistaken conclusions” that Washington's focus on Asia was part of a policy to contain China. Addressing students and academicians at the University of Pune, United States Deputy Secretary of State William Burns said that it was neither the US’ purpose nor intention to undermine China. In fact, he said, Washington believed that a thriving China is good both for the US and for India.

Mr. Burns, who was speaking on ‘U.S.-Indian partnership in an Asia-Pacific century’, said the US had, both strategically and economically, consistently pursued policies that aimed to unite and connect the region, “rather than seeking to divide Asia.” On being asked about the US support to India's military exercises, he stated that “There is a great deal of cooperation between India and the US in increasing maritime security and improving disaster management. But it is not our purpose to contain China.”

Stressing that the US-India partnership was based on the principles of shared security, shared prosperity and human dignity, he called on the Government of India to help other countries in the region match its achievement of a “pluralistic, multi-party democracy.” Citing US Secretary of State Hillary Clinton's latest visit to Myanmar, Mr. Burns said he expected India to actively participate in the process of reform in that country.

Source: The Hindu, December 17

### **The Indian Navy’s Presidential Fleet Review**

Indian Navy displayed its ‘might’ and ‘reach’ before the nation at the Presidential Fleet Review on 20 Dec 2011 off the Mumbai coast.

Sailing on INS Subhadra, the designated presidential yacht, President Pratibha Patil had a glimpse of the punch and power the Indian Navy has acquired since the first edition of the review in 1953 when President Rajendra Prasad was saluted by crew of 25 warships, 7 yard craft and one merchant vessel. Crew aboard 81 warships including the country's only aircraft carrier INS Viraat signed off the 10th edition doffing off their caps in honour of the dignitary.

The show started amid hazy conditions but the weather could not take the sheen away from the impressive sight of warships lined across a strip of 20 square nautical miles. The President speaking on the occasion said “it is, indeed, a majestic sight to see our Navy's ships, submarines and aircraft in their entire splendour...today, the Indian Navy is one of the most capable in the region and with its well thought out modernisation plans, is destined to grow even further”.

The Presidential Fleet Review is a tradition that Indian Navy inherited from the Royal Navy and reminding of the link was the aircraft carrier INS Viraat, known in its early avtaar as HMS Hermes that was commissioned into the Indian Navy in 1987, some 28 after the British first inducted it into service. While the aircraft carrier was one of the last of the vessels from the British era on display, at the other of the spectrum were indigenously built ships of Shivalik and Shardul class that took part for the first time in the review.

INS Deepak and INS Shakti, the two latest fleet tankers built in Italy and inducted into service recently, show the long legs of the Indian Navy and marked their presence by sheer size. They are designed to provide fuel, water and logistic support to blue-water combatants.

The aerial power of the maritime forces came up for display with 20 helicopters and 22 aircraft including the latest fourth generation fighter MiG29K that would go aboard the second aircraft carrier INS Vikramaditya (Admiral Gorshkov) currently being readied in Russian shipyard for scheduled delivery by end-2012.

Besides the conventional challenges for a country that depends heavily on sea for its trade, Ms. Patil also mentioned the emerging threat from piracy that has led the Indian Navy to take an active role in anti-piracy missions since 2008.

Source: The Hindu, December 20

## **US Navy Won't Tolerate 'Disruption' Through Strait of Hormuz**

The US Navy has said that Iran's threat to block the strategically and economically important Strait of Hormuz is unacceptable.

“The free flow of goods and services through the Strait of Hormuz is vital to regional and global prosperity”, a US Navy spokesperson told reporters. “Anyone who threatens to disrupt freedom of navigation in an international strait is clearly outside the community of nations; any disruption will not be tolerated”.

The 34-mile-wide shipping channel leads in and out of the Persian Gulf between Iran and Oman. It is strategically important because tankers carrying oil travel through it. Iran's vice president has warned that the country could block the strait if sanctions are imposed on its exports of crude oil. France, Britain and Germany have proposed sanctions to punish Iran's lack of cooperation on its nuclear program.

Iran is holding a 10-day military exercise in an area spread from the eastern part of the strait out into the Arabian Sea. Western diplomats describe the manoeuvres as further evidence of Iran's volatile behaviour. Asked whether the fleet would be able to keep the strait open if Iran moved to close it, the US Navy spokesperson said that the US Navy was a flexible, multi-capable force committed to regional security and stability, always ready to counter malevolent actions to ensure freedom of navigation.

Source: CNN, December 29



## **Indonesia, China Agree to Forge a 'Strategic Partnership'**

The Indonesian and Chinese governments agreed to promote and enrich a ‘strategic partnership’ in the Sixth Meeting of Indonesia-China Technical Committee on Maritime Cooperation which was held recently in Bali.

They also agreed to further develop the institutional building of maritime cooperation between the two countries and improve plans for cooperation, the Indonesian foreign ministry said in a press statement.

Both sides gave positive assessment on the achievement on the maritime cooperation as one of the significant component in enriching the Strategic Partnership, which receive high attention from both leaders.

The Technical Committee reviewed the progress made since the 5<sup>th</sup> Meeting and expressed satisfaction about the achievements of cooperation in safety of navigation, maritime security,

naval exchanges, as well as marine scientific research and environmental protection.

Both sides agreed that, while continuing to implement the existing maritime cooperation projects, they would further expand the scope and tap the potentials of cooperation.

Source: MCOT, December 22

### **Japanese Warship Ends Five-Day Visit to China**

The Japanese Maritime Self-Defense Forces' destroyer, Kirisame has ended a five-day friendly visit to China. It departed from Qingdao in eastern China on Friday, 23 December.

The 4,550-ton ship, carrying around 240 people, travelled from Japan's Sasebo naval base to Qingdao. During its trip to China, the two navies held joint exercises and visited each other's vessels. They also carried out cultural and sports activities.

This was the second visit to China by a Japanese warship and the trip marks the resumption of bilateral navy exchanges. Visits had been cancelled following a collision between a Chinese trawler and Japanese coast guard patrol vessels in September 2010.

Source: Xinhua, December 24

### **India, Thailand Work on Defence Cooperation Pact**

Stepping up its engagement with countries in East Asia, India held the first meeting of defence dialogue with Thailand, taken in line with the agreement between the two countries reached earlier in 2011.

Both sides exchanged views on the regional security issues and reviewed ongoing programmes, including joint exercises and training of personnel, diplomatic sources said adding that work has begun on a possible Memorandum of Understanding in the area.

The dialogue also assumes significance since India has invited Thailand Prime Minister Yingluck Shinawatra to be the chief guest at next year's Republic Day parade. Thailand Foreign Minister Surapong Tovichakchaikul, is scheduled to visit New Delhi from December 26 to 28 for a meeting of the Joint Commission.

The defence dialogue with Bangkok comes close on the heels of New Delhi's similar engagement with countries in East Asia including South Korea, Japan, Vietnam among others.

During the visit of the then Thailand Prime Minister, Abhijit Vejjajiva, in April 2011, Prime Minister Manmohan Singh had announced that both New Delhi and Bangkok would strengthen defence cooperation by having senior official-level dialogue between the Defence Ministries.

Defence cooperation between India and Thailand comprises regular joint exercises/joint maritime patrols near the International Maritime Boundary to counter terrorism, piracy and smuggling. Training of officers at each others Armed Forces training institutions and participation as observers in military exercises, staff talks and exchange of trainee visits at various levels are also undertaken.

Source: The Hindu, December 24

### **Oman and India Renew MoU on Defence Ties**

Oman has renewed a Memorandum of Understanding (MoU) aimed at enhancing military cooperation with India. The renewed MoU was signed by Sayyid Badr bin Saud bin Harib Al Busaidi, the Omani minister responsible for defence affairs with AK Antony, Indian defence minister at the Headquarters of Indian Defence Ministry at New Delhi. Sayyid Busaidi is on an official visit to India. During the meeting, the defence ministers discussed several issues of common concern and enhancing the existing military cooperation between the two countries.

The meeting was attended by Sheikh Humaid bin Ali Al Ma'ani, Sultanate's Ambassador to India; the Omani military attaché; and members of the military delegation accompanying Sayyid Busaidi. From the Indian side senior officials at the Indian Defence Ministry attended the meeting. Sayyid Busaidi also met Shiv Shankar Menon, the Indian National Security Adviser, in New Delhi and held talks on various issues. The meeting was also attended by Sultanate's ambassador to India; the Omani military attaché; members of the military delegation accompanying Sayyid Busaidi and a number of senior officials at the office of the Indian National Security Adviser.

Source: Times of Oman, December 29



### **Kattupalli Port to be Commissioned by January**

The Kattupalli port will be commissioned by January, three months ahead of schedule, according to Mr G. Gandhirajan, Chief Operating Officer of the port, which is being developed by L&T Ports.

In a seminar on development of ports in Tamil Nadu, organised by the Madras Chamber of Commerce and Industry, Mr Gandhirajan said that the port is coming up adjacent to the Ennore port with an initial investment of over Rs 2,000 crores. While the commitment to the public and investors was to commission the first phase, which would be mainly container operations, in April, the internal target is to start by January.

Larsen & Toubro Ltd, along with Tamil Nadu Industrial Development Corporation, has formed a joint venture company, L&T Shipbuilding Ltd, to develop a ship building yard-cum-minor port complex at Kattupalli. Since a stand-alone shipyard cannot sustain a large-scale investment for a breakwater supported harbour, the State Government has also permitted the company to handle other commercial cargo in line with the Minor Port Development Policy.

The port facilities comprise 1.5-km long northern breakwater, 3-km long southern breakwater, 5-km long navigational channel to a depth of 15 metre and other harbourrelated infrastructure. The company will handle containers, which will be operated by the Manila-based International Container Terminal Service, and also build offshore platforms, besides meeting the requirement of the Defence.

In April 2011, International Container and L&T signed a container port operation agreement to manage the Kattupalli International Container Terminal.

Source: Business Line, December 19

### **Mundra Port Set to Win Rs 1,060-cr Dry Bulk Terminal Project at Kandla**

The last few days of 2011 proved to be a roller-coaster for the country's largest private sector port operator — the Rs 2,000-crore Mundra Port SEZ (MP-SEZ). A day after being denied rights to develop the Rs 3,700-crore Chennai container terminal by the Chennai Port Trust, the company is all set to bag a Rs 1,060-crore dry bulk terminal development project in Kandla port. The Chennai Port had rejected the company's tender for want of a higher revenue share.

It however continues to be hindered by the Home Ministry, which has not provided a single security nod to MP-SEZ in the last year. This has left MP-SEZ ineligible to submit financial bids for many port expansion projects including JN Port and Visakhapatnam.

For the Chennai and Kandla projects, the listed company (which has been renamed Adani Port SEZ) was able to submit financial bids as it had received a security nod before it hit the Home Ministry security clearance roadblock. The Ministries of Home, External Affairs and Defence however, still need to give security clearances.

Source: Business Line, December 31