

# MAKING WAVES

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### **Need for a Regional Organisation To Match the Indian Ocean's Growing Influence**

*Kevin Rudd*

The Indian Ocean is a region of growing strategic significance. The nations of this region are home to 2.6 billion people, almost 40 per cent of the world's population, accounting for 10 per cent of global GDP — and rising rapidly. Its sea lines of communication are among the world's most important — 40 per cent of global trade passes through the Indian Ocean, including 70 per cent of the total traffic of petroleum products.

South Asia is witnessing extraordinary growth, led by the rising great power that is India. As energy security becomes a preoccupation for an ever increasing number of countries, the influence of Gulf States is growing. East Africa's economic significance is also expanding. And the nations of South East Asia, led by Indonesia, are on a strong growth path.

Australia understands all this implicitly. Our engagement with countries to our west is firmly on the upswing. We are as much an Indian Ocean nation as we are a Pacific Ocean nation. Australia has the largest maritime jurisdiction of any Indian Ocean country and the longest Indian Ocean coastline.

As a measure of the importance we attach to the vast and diverse region to our west, Australia recently convened the Commonwealth Heads of Government meeting in Perth, our national gateway to the Indian Ocean, and to the opportunities — and challenges — that it contains.

Building on this, Australia is now determined to work with other Indian Ocean countries to harness a sense of community in this region by intensifying practical engagement aimed at enhancing our prosperity and security.

#### **On IOR-ARC meeting**

It is with this objective in mind that I am participating in the Council of Ministers of the Indian Ocean Rim Association of Regional Countries (IOR-ARC) in Bengaluru on November 15. IOR-ARC is the only Indian Ocean organisation meeting at ministerial level with membership ranging across the entire Indian Ocean region. It has a wide mandate to promote cooperation within this highly diverse region. And has the potential to make a difference.

Thus far, however, IOR-ARC has not lived up to this potential. Some critics argue that the countries around the Indian Ocean are too distant from each other, too diverse in their economic and social make-up and too disparate in their stages of economic development to work effectively together. I do not agree. I see no cause for resignation or defeatism — quite the opposite.

Australia wants to work with other members to make a difference in IOR-ARC. We think we can best do that by suggesting practical, specific ways in which members can work more closely together. We want to build and nurture the habit of joint work in the service of common purpose.

The challenge for us in Bengaluru will be to identify concrete steps towards more effective practical cooperation in areas such as: sustainable fisheries management; science cooperation on climate change, food security and ocean science; disaster management; maritime safety and security; trade facilitation; and resources and energy security. We will also need to be alert to challenges that pose risks for our economic development — most pressingly, piracy.

We are not seeking a big bang in Bangalore, but we do need to commit to revitalise IOR-ARC, to give it a fresh sense of purpose. Over the next two years, Australia will serve as Vice Chair, supporting the leadership of India as Chair. In the two years after that, we will be in the Chair, and will ourselves be relying on Indian advice and guidance through the IOR-ARC troika of immediately past, present and future chairs.

The Indian Ocean is a region where much of the economic and strategic dynamics of the twenty-first century will be played out. To keep the region peaceful and to make it more prosperous, we need an organisation that is focused, practical and alive to the possibilities of our diverse region. We need IOR-ARC to step up to this challenge. Australia is ready to help it do this, and we will be looking for partners from every corner of this region to meet this challenge.

*(Kevin Rudd is the Australian Minister for Foreign Affairs.)*

Source: [The Hindu](#), November 15

## **The new ‘Gunboat Diplomacy’**

*Mark Landler*

It may seem strange in an era of cyber warfare and drone attacks, but the newest front in the rivalry between the United States and China is a tropical sea, where the drive to tap rich offshore oil and gas reserves has set off a conflict akin to the gunboat diplomacy of the 19th century.

The Obama administration first waded into the treacherous waters of the South China Sea last year when Secretary of State Hillary Rodham Clinton declared, at a tense meeting of Asian countries in Hanoi, that the United States would join Vietnam, the Philippines and other countries in resisting Beijing’s efforts to dominate the sea. China, predictably, was enraged by what it viewed as American meddling.

For all its echoes of the 1800s, not to mention the Cold War, the showdown in the South China Sea augurs a new type of maritime conflict, where fuel-hungry economic powers, newly accessible undersea energy riches and even changes in the earth’s climate are conspiring to create a 21st-century contest for the seas.

China is not alone in its maritime ambitions. Turkey has clashed with Cyprus and stoked tensions with Greece and Israel over natural-gas fields that lie under the eastern Mediterranean. Several powers, including Russia, Canada and the United States, are eagerly circling the Arctic, where melting polar ice is opening up new shipping routes and the tantalising possibility of vast oil and gas deposits beneath. “This hunt for resources is going to consume large bodies of water around the world for at least the next couple of decades,” Clinton said in a recent interview, describing a global competition that sounds like a watery Great Game.

“Underlying all of this is the recognition that an increasing share of oil resources is offshore,” said Daniel Yergin, an energy expert “When you have energy resources on land,” he said, “you know where things stand. When they’re offshore, things can get murkier.” Twenty-nine million barrels of oil a day, one-third of global production, now come from offshore fields, Yergin said, a share that will rise steadily. The South China Sea alone is estimated to have 61 billion barrels of petroleum — oil and gas — plus 54 billion yet to be discovered, while the Arctic is projected to have 238 billion barrels, with possibly twice that in undiscovered sources.

As countries race to erect drilling rigs and send oil exploration vessels to comb the seabed, conflicting maritime claims are helping to fuel a naval arms race. It is no coincidence that the countries with the fastest-growing navies are those with stakes in these energy zones.

China expanded from two Soviet-era destroyers in 1990 to 13 modern destroyers in 2010. In its drive for a blue-water navy, one that operates in the deep waters of open oceans, it is also building an aircraft carrier. Malaysia and Vietnam are beefing up their navies with frigates and submarines. India, which wants to make sure it has access to the Far East, is bulking up. And the Israeli navy is pushing for more vessels to counter Turkish warships circling Israeli drilling rigs.

With anaemic building rates and tighter maintenance budgets, analysts say, the US navy has been forced to cope with an aging fleet that some say is not up to its challenges. Even so, the Obama administration has been an active practitioner of gunboat diplomacy. Last fall, Obama sent the aircraft carrier George Washington to the Yellow Sea for joint exercises with South Korea, sending a message to both North Korea and its key backer, China. The move echoed the Clinton administration’s decision in 1996 to send the Seventh Fleet to warn China against attacking Taiwan.

For Obama, whose roots in Hawaii and Indonesia have imbued him with a strong Pacific worldview, the drawdown in Iraq and Afghanistan gives him a good pretext to turn his gaze eastward. The United States has worked to shore up its ties to old Asian allies, like Japan and South Korea, as well as new giants like India. The goal, though administration officials are loath to say it publicly, is to assemble a coalition to counterbalance China’s growing power. This week, Obama is expected to announce an agreement with Australia for a permanent American military presence there.

For China, the South China Sea has long been crucial as a supply route for oil and other raw materials to fuel its economy. China’s claims have deep historical roots, dating from the 1940s,

when Chiang Kai-shek's Nationalists drew a dotted line in the shape of a cow's tongue extending south of China, embracing most the sea and two disputed island chains, the Paracels and the Spratlys.

Quarrels over these hunks of volcanic rock wouldn't matter much, except that China, Vietnam and the Philippines are running into one another in the race for oil. Last spring, in two separate incidents, Vietnam accused Chinese vessels of deliberately cutting the seismic survey cables of an oil exploration ship. A former American official said his nightmare scenario would be a Chinese warship's firing on an Exxon oil-drilling ship.

If the South China Sea is simmering, then the eastern Mediterranean is seething. There, claims to huge natural-gas reserves off the coast of Cyprus and Lebanon have raised tensions with Turkey, which occupies half of Cyprus, as well as with Israel. Cyprus and Israel are drilling for gas, angering Turkey. The militant Islamic group Hezbollah, in Lebanon, has threatened to attack Israeli gas rigs. Further complicating this is the bitter rift between Turkey and Israel after the deadly Israeli commando interception of a Turkish flotilla trying to transport aid to Palestinians in Gaza last year.

Source: [Indian Express](#), November 15



### **IN's Missile test plans hits green hurdle**

The Indian Navy's plans to test fire missiles from Andaman and Nicobar Islands appear to have hit a hurdle with the environment ministry concerned over the impact of the exercise on an endangered bird species found only in the ecologically sensitive area.

The environment ministry, examining the Navy proposal for missile testing in Tillanchang island, has been told by a panel of experts that the firing will impact the life cycle of Nicobar Megapode, an endangered ground bird, National Board for Wildlife member Asad Rahmani said.

The Navy has sought permission for temporary use of the ecologically sensitive forest land on the island for missile testing and erection of a temporary structure as target for testing the accuracy of missiles fired from submarines. The test firing is proposed to be carried out once every year for duration of 7 to 10 days.

The Standing Committee of National Board for Wildlife (NBWL) at a recent meeting chaired by environment minister Jayanthi Natarajan examined the proposal and ordered a site inspection by a two-member panel.

Rahmani said Megapodes are found only in the Andaman & Nicobar Islands and their population has declined dramatically in recent years. Studies have indicated that Megapodes come back to

the same place for nesting. "The time and season of firing would be the critical elements in assessing the impact of such firing on the species," he said.

Source: [The Economic Times](#), November 8

### **Three Dimensional Radars for Indian Naval Warships**

Aiming to provide a 360 degree surveillance capability to warships, the Indian Navy is planning to induct state-of-the-art three dimensional (3D) radars for detecting enemy aircraft, helicopters and sea-skimming missiles. Indian Naval officials said the induction of 3D air surveillance radars for warships above 3,000 tonnes was for detection of aircraft, helicopters, unmanned aerial vehicles (UAVs) and missiles. The radar would also be required to automatically track in three dimensions including range, height and direction.

In a global Request for Information (RFI) issued by the Navy, it has asked the global manufacturers to provide details of the ranges at which they can track enemy fighter aircraft, helicopters and anti-ship missiles. The Navy wants the radar to be compatible with the latest combat management systems used by it. The DRDO has already developed a three dimensional radar named Central Acquisition Radar (3D-CAR) for use with the Akash Surface to Air missile system, which is capable of tracking 150 targets. The DRDO has also developed the maritime version of the 3D radar which is called 'Revathi'.

Source: [CNN IBN](#), November 10

### **Indian Navy foils Somali pirate attack off Gulf of Aden**

The Indian Navy patrolling the Gulf of Aden thwarted a multi-boat attack by sea brigands on merchant vessels, apprehending 26 Somali pirates and confiscating arms and ammunition.

At 9.25 a.m., Navy personnel aboard warship INS Sukanya spotted a group of five suspicious boats speedily approaching the merchant vessels of her group. While two of them managed to escape, INS Sukanya successfully intercepted the remaining three boats and, in a well-practiced and professionally executed boarding-and-search action, nabbed 26 Somali pirates with six AK 47 rifles, 12 magazines and about 300 rounds of ammunition.

This is the fifth successful anti-piracy operation conducted by INS Sukanya in the course of her ongoing patrol mission in the Gulf of Aden that commenced in September. In their five operations so far, the personnel on board the warship have confiscated 14 AK-47 Rifles, 31 magazines and 923 rounds of ammunition.

INS Sukanya, currently deployed on anti-piracy patrols in the Gulf of Aden under the operational control of the Western Naval Command, was escorting a group of five merchant vessels through the Internationally Recognised Transit Corridor when the incident happened.

Source: [The Hindu](#), November 11

## **South China Sea Conflict could have a global fall-out**

In the backdrop of India's economic interests -- particularly in oil and gas sector -- growing in South China Sea, Indian Navy chief Admiral Nirmal Verma warned that conflict in the region and its outcome would have a major global fall-out, especially for those with considerable economic interests.

Admiral Verma, delivering the keynote address at a United Services Institute (USI)-organised national security seminar, also called for multilateral security architecture for the Asia-Pacific region that can ensure peace and stability. "We are seeing certain edginess in the relations between the countries of this region. The potential for conflict in the South China Sea and the instability of the Korean peninsula have heightened the awareness of policymakers, scholars and analysts to the region's shortcomings in terms of institutional arrangements to resolve potential crises," he told the participants of the think-tank's seminar.

"The South China Sea, in particular, is an area of significant concern... The developments in the South China Sea and the outcomes will have major implications not only for the countries in the region, but for the world at large, as many nations have considerable economic interests in the region," he said.

The CNS pointed out that Asia-Pacific region is home to numerous major shipping lanes, which service regional as well as global trade. "Disruption of traffic flow on these routes could thus have a severe impact on the global economy," he said. For that reason, he called for brainstorming on the structure and content of the security architecture that would offer "a best fit" to promote peace and stability in South China Sea, owing to the peculiarities of the region. "Precisely for this reason, ready-made solutions do not exist and that it may not also be feasible to borrow an existing arrangement functioning in another region to be applied in the Asia-Pacific," he said.

Source: [The Economic Times](#), November 17



## **Japan steps up defence alliances**

As tensions rise on the seas throughout East Asia and the Indian Ocean, a big question has been the extent to which Japan could participate in maintaining stability. Commentators tend to assume that the Japanese constitution's strict constraints on military activity form an insurmountable barrier to vigorous defensive cooperation. However, three upcoming events show that Tokyo can play a greater security role in the region without having to revise the constitution.

First, new Prime Minister Yoshihiko Noda plans to visit India in December. The Indian Navy and Japanese Maritime Self-Defense Force then will conduct their first bilateral naval exercises

in the Indian Ocean early next year, having participated in multilateral exercises in the past. This is the latest fruit of the limited defence agreements Japan signed with India and Australia over the past several years. These deals, which include cooperation on counterterrorism and disaster management break years of Japanese security isolation.

Second, in November Japan and the Association of Southeast Asian Nations will hold a summit at which they will release a joint declaration pledging efforts to promote maritime security, particularly in the South China Sea. While there are yet no specifics to the agreement, it follows coast guard exercises between Japan and the Philippines late last year and prior naval drills with Singapore as part of multilateral exercises.

Third, Mr. Noda is reported to have decided to end Japan's longstanding restrictions on arms exports, which currently are prohibited to any country but the United States. The ban has cut Japan's defence industry off from global markets and joint development projects, leading to an industry plagued by high costs and less innovation than other countries. Forcing it to become more competitive could lead to a more fiscally efficient Self-Defense Force at home. And Japan could become part of multinational defence consortia such as that for the fifth-generation F-35 Joint Strike Fighter—collaborations that would bring new innovation to Japan's industry.

All three steps highlight the scope Japan has to deepen defence ties with allies and neighbours despite the constraints imposed by the constitution. For more than 50 years after World War II, Japan had almost no defence ties other than with the U.S. Tokyo's mutual defence alliance with Washington made it a de facto part of the American-led liberal security network during and after the Cold War. But Japan's strained relations with most of its neighbours led not only to political isolation but an insular security stance.

Now Tokyo is accelerating efforts to build better military relations with its neighbours. In part this continues a shift that began slowly in the 1980s and led to the 1997 U.S.-Japan Defense Cooperation Guidelines, which opened the door to mutual defence activities in areas surrounding Japan.

Source: [The Wall Street Journal](#), November 4

### **India signs 'historic pact' with Maldives**

Prime Minister Manmohan Singh reached out to the “pearl of Indian Ocean”, Maldives, with a far-reaching framework agreement. He also announced a Standby Credit Facility of \$100 million (approximately Rs 500 crore) to help stabilise the Maldivian fiscal position. The agreement is an umbrella pact for future cooperation, similar to the one India signed with Bangladesh in September.

The agreement comes at a time when China is also making efforts to step up its ties with the island nation. China opened a full diplomatic mission in the Maldives, just two days before the 17th South Asian Association for Regional Cooperation summit.

Singh termed the pact "historic" in his address to the Maldivian parliament. He said, "This agreement puts in place a template for cooperation in a wide range of areas, such as trade and investment, food security, fisheries development, tourism, transportation, information technology, new and renewable energy, communications, and connectivity."

As many as six pacts were signed after talks between Singh and Maldives president Mohammed Nasheed. Both countries also decided to step up cooperation on counter terrorism, maritime security in the Indian Ocean region and capacity building of police and security forces.

Singh, who became the first foreign leader to address the Maldivian parliament, talked at length about the importance of ensuring peace and prosperity in the region. "In many ways, India and Maldives are natural partners in this enterprise," Singh said in his address.

Over 97% of India's international trade by volume and 75% by value passes through the Indian Ocean, Singh pointed out. He also offered a slew of measures in dealing with climate change, an issue crucial to this archipelago located on a crucial international shipping lane.

Source: [Hindustan Times](#), November 12

### **Indian Ocean Rim Association for Regional Cooperation to Boost Trade**

The Indian Ocean Rim Association for Regional Cooperation (IOR-ARC) decided to support intra-regional growth of business through infrastructure building and trade facilitation to boost intra-trade. The association said in a communiqué after its 11th council of ministers meeting that even though intra-regional trade accounts for 24 percent of the global trade, there was scope to increase it by encouraging forums to reach out to business and commercial expertise in the region.

The day-long meeting, held under the chairmanship of India for the first time, discussed the possibility of initiating a comprehensive study on the feasibility of preferential trading arrangements for the region.

"We are of the firm view that the academic, scientific and business communities of our membership will find their participation in the wide variety of trade and tourism expositions and fairs held in the region of benefit and use," the association said in its "Bangalore Declaration". Emphasising on the need for cross-fertilisation of ideas between the academic and business forums and the working group on trade and investment to strengthen cooperation in the region, the meeting agreed upon capacity building in these sectors through programmes and workshops.

Appreciating the diversity and richness of the region's tourism potential and tourism promotion as an attractive vehicle for socio-economic growth and development in the region, the communiqué said intra-regional tourism offered huge potential to target high growth in the sector.

Source: [The Economic Times](#), November 15

## India to take 'Look East' forward

Prime Minister Manmohan Singh attended the 9th India-ASEAN summit and the 6th East Asia summit, amid concerns relating to disaster management, maritime security and terrorism. Before leaving for Bali and Singapore on the four-day visit, Singh said India saw its ties with the forum as a key component of its Look East policy.

The PM said the East Asia Summit was the principal forum to devise an “open and inclusive architecture of regional cooperation in the Asia-Pacific region” that will see the formal entry of the US and Russia this year at the Bali summit.

“Increasingly, political and security issues are becoming part of the East Asia Summit agenda. There are concerns among the countries of the region over issues relating to disaster management, maritime security, terrorism and other non-traditional threats to security,” he said.

India is, however, adopting a wait-and-watch policy on the maritime security issue. India is not sure as to how the move to check China by various ASEAN countries will play out. The US, which wants to leave its mark on the Pacific region, too, is making all efforts to ensure that the East Asia summit emerges as a primary political military instrument in Asia.

Source: [Hindustan Times](#), November 17



## High level of air pollution responsible for sharp rise in tropical cyclones

Increased air pollution in South Asia including India is pushing up cyclone intensity in the Arabian Sea putting West Asia at the receiving end of catastrophic natural calamities. Exploiting observational, reanalysis and model data, a team of US and Korean scientists have now blamed high level of air pollution in South Asia for a sharp rise in the intensity of tropical cyclones over the Arabian Sea during and before the monsoon season.

All powerful cyclones in the Arabian Sea that occurred in the past 30 years made landfalls in India, Pakistan, Oman or Iran causing considerable loss of life and substantial damage. Increase in cyclone intensity is the most notable in the last decade. In 1998, a major cyclone resulted in more than 1,100 deaths in western India and Cyclone Gonu in 2007 caused more than \$ four billion in collective damage to Oman, United Arab Emirates and Iran.

Studies show an increase in the intensity of pre-monsoon Arabian Sea tropical cyclones during the 1979-2010 period, which appears to be a direct consequence of a simultaneous upward trend in an anthropogenic black carbon and sulphate emission. The pollution creates a conducive environment for cyclone-intensification and since most Arabian Sea cyclones make landfall, the results suggest an additional impact on human health and economic damage. Aerosols are air pollutants originating from natural sources like volcanic ash, dust and sea salt as well as man-

made sources like burning of woods and fossil fuels, emission of thermal power plants and vehicular pollution.

Source: [Deccan Herald](#), November 30

## SHIPPING

### **MFN trade with Pakistan to boost trade?**

The 'most favoured nation' status granted by Pakistan to India is unlikely to provide a major boost to the sea trade volumes between the two countries in the near future, shipping companies say. The development, however, has brought cheer to the road transportation sector, with some operators mulling fleet expansion.

Due to various restrictions, most Indo-Pak sea-trade was carried out through a longer route via Middle East ports. With the new status, this route is expected to shrink to a simple direct India-Pakistan route. The trade between the two countries is also expected to double to \$5 billion from the current \$2.5 billion.

Indian National Shipowners Association (INSA) said in a statement that at present 70% of the cargo intended for Pakistan markets is moved through Jebel Ali in Middle East and only one Indian shipping firm, Shreyas Shipping and Logistics, operates a direct Indo-Pak service. With the new MFN status, this could however change. Direct trade between India and Pakistan would mean lower freight charges and the time of transit is also lower. While freight charges will come down significantly, the transit time would reduce from seven days to close to two-and-a-half days.

However, most of the other shippers do not expect any major change in this trade pattern in the near future. Interestingly, volumes have been so sluggish this year that Shreyas Shipping had scaled down operations on this route to fortnightly from weekly. The main reason for the fall in volumes is Pakistan, is reportedly, on account of minimal requirements being met through imports from India. Most of it is met through their local production or imports from the Middle East.

Source: [Daily News and Analysis](#), November 25