

MAKING WAVES

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The Obama visit: A Report Card

Chinmaya R. Gharekhan, November 14, the Hindu

A reliable indicator of how the visit to India of a foreign leader has gone is to watch out for Pakistan's reaction. If Pakistan is upset, the visit was a success. If the leadership and the media in Pakistan go to the extent of asking the visiting dignitary to retract something he might have said or done in India, it is a sure sign that the visit was highly successful. Barack Obama's visit to India, by that yardstick, was an outstanding success. (While we might gloat over this, we must recognise that our turn to get upset or angry will come when the American President visits Islamabad and Karachi next year.)

While Mr. Obama went back or went on to Djakarta from New Delhi with \$20 billion worth of contracts and 50,000 jobs in his bag, he also left behind some goodies. His unambiguous support for India's bid for permanent membership of the United Nations Security Council exceeded all expectations.

It would be churlish to look for any negative element in his endorsement of our ambition. This does not mean that the reform of the Security Council is round the corner. It will not be possible for India to get permanent membership by itself, just as it is not possible for Japan despite America's support. There will have to be a package solution bringing in at least six new permanent members. There is widespread expectation that a reformed Council will have two additional members from Asia — India and Japan. China is at best lukewarm to the former and opposed to the latter. The African continent does not have a single permanent member at present, nor does South America. South America is demanding a permanent seat and the Africans would like to have three but are insisting on at least two.

On Afghanistan, the joint statement has expressed the commitment of the two countries to intensify consultation, cooperation and coordination to ensure a stable Afghanistan. India must make full use of this pledge. While earlier, there was perhaps a degree of perfunctory consultation on the situation in Afghanistan, “cooperation and coordination” are more potent instruments to influence the course of events there. “Coordination,” in particular, gives us an opening to get involved with the process of “reconciliation” and to get our concerns taken more directly into account. No doubt, the NSA or someone will surely leave for Washington in the near future to take advantage of this development. It would be even better if a senior person from Kabul joins such a coordination exercise.

Mr. Obama no doubt came to India with a definite agenda in his mind. His main target audience were youth and business circles — the middle class, in other words. It is the middle class which will increasingly determine our economic and foreign policy. This GenNext is probably no different from previous GensNext in wanting to get rich quick;

only that it has more opportunities to do so now. If the middle class is brought into close embrace with America, that would be the best guarantee of a pro-U.S. orientation of the country. The defence and business links will certainly create a dependency syndrome in India's thinking, much as our defence relationship with Israel has created, and this in turn will surely have an impact on our foreign policy. However, so long as we are aware of this risk and are capable of integrating it into our decision-making processes, we need have no fear of our foreign policy being led into an undesirable direction. We have to keep in mind two contrasting sayings: do not look a gift horse in the mouth, and beware of those who come bearing gifts.

Source: The Hindu, 14 November, 2010

<http://www.thehindu.com/opinion/lead/article886250.ece>

The Eagle Has Landed

Harsh V Pant, Times of India, November 09, 2010

US President Barack Obama is visiting Asia for the second time since taking office in January 2009. But the context, both domestic and global, of the two visits is completely different. It underlines the changing strategic realities facing the Obama administration in the region.

When Obama visited China in November 2009, he was at the height of his power domestically. He was dictating the contours of his domestic political agenda. The opposition was weak and diffused. His administration had ideas about China as the fulcrum of stability in the Asia-Pacific. China's growing economic and political clout had forced the Obama administration in early days to toy with the idea of G2, whereby China could be expected to look after and 'manage' Asia-Pacific. The Obama administration then was signalling that it was more interested in managing America's decline than in preserving its pre-eminence in the global order. There was no strategic vision about Asia apart from the hope that the US and China could work together to sort out global problems.

Viewing this as an opening, China gave up its superpower in-waiting approach and started behaving like a superpower that had already emerged. After the Obama administration notified the US Congress that it planned to sell weapons systems to Taiwan worth \$6.4 billion earlier this year, China was markedly aggressive in reacting. Not only was the US ambassador to China called in by the Chinese government to protest against the arms sales and warned of serious repercussions if the deal went through, China also cancelled some military exchange programmes with the US and announced sanctions against American companies supplying weapons systems to Taiwan.

Beijing also started asserting its military profile in the region. A two-week stand-off between Japan and China over a boat collision in October underlines the growing



propensity of the communist state to adopt a more aggressive stance against rivals and US allies in Asia. There may be more tension to come. The collision happened near a chain of uninhabited islands in the East China Sea called Senkaku that Japan has controlled for decades. Beijing essentially bullied its way through the crisis.

When Beijing claimed it considers its ownership of the Spratly Islands in the South China Sea a “core interest”, fears increased in Taiwan, the Philippines, Vietnam, Indonesia and Malaysia that China was seeking to use its growing maritime might to dominate not only the South China Sea’s hydrocarbon-rich waters but also its crucial shipping lanes, the lifeline of regional economies.

Meanwhile, the domestic political context has also transformed dramatically for Obama. These midterm elections were a stunning turnaround from four years ago, when voter anger at Republican control of the White House and Congress gave the Democrats power in the US Congress.

These are indeed turbulent times in American politics. As Republicans took control of the House of Representatives, it was the first time in more than 60 years – since the mid-1940s – that more than 20 net House seats changed party hands in three consecutive elections. These elections have been widely viewed as a referendum on the president and have weakened the Obama presidency to an extent that the major agenda items on Obama’s wish-list will be extremely hard to attain.

So, Obama is in Asia much weakened and diminished and yet the choice of the four states being visited – India, Indonesia, South Korea and Japan – is aimed at reminding China that the US still retains its role as the principal balancing force in the region. All four states are worried about China’s rise and its attempts in the recent past to assert its interests more forcefully. There is a clamour for American leadership in the region, as none of the regional players wants China to emerge as the dominant actor in the region. All want a stronger US presence so as to give the region greater stability.

Japan is still reeling from China’s diplomatic offensive on Senkaku and there is a growing sense that despite increasing economic ties, Sino-Japanese relations will remain problematic in the foreseeable future. A strengthened US-Japan alliance is being viewed as essential for Japanese security. Meanwhile, China has angered South Korea too. Seoul has grown disillusioned with Beijing’s shielding of North Korea from global outrage over the Cheonan incident. An international investigation convened by South Korea concluded that the sinking of the warship, which killed 46 South Korean sailors in March, was likely the result of a torpedo fired by a North Korean submarine. Instead of berating Pyongyang, China watered down a UN Security Council presidential statement that, while condemning the incident, failed to hold North Korea responsible.

Indonesia’s role as the world’s largest Muslim-majority democratic country is crucial to America’s attempt to promote democratic values worldwide. Its strategic position sitting astride crucial sea lanes of communication makes US-Indonesia pertinent for enhancing



stability in the global commons. Jakarta's ties with Beijing are tense and it wants a broader partnership with Washington. And then there's India, whose recent rise has been described by Obama as being in the best interests of both India and the US as well as of the world. Interestingly, it may turn out that it is in India Obama had to work the hardest to convince New Delhi that he does take its interests seriously.

Source(s): 9 November

http://epaper.timesofindia.com/Repository/getFiles.asp?Style=OliveXLib:LowLevelEntityToPrint_TOINew&Type=text/html&Locale=english-skin-custom&Path=CAP/2010/11/09&ID=Ar01600

Narrowing the Indo-US Drift

By Harsh V Pant ,

When US President Barack Obama visited China in November 2009, he was at the height of his power domestically. He was dictating the contours of his domestic political agenda. The opposition was weak and diffuse. His administration had ideas about China as the fulcrum of stability in the Asia-Pacific. China's growing economic and political clout was forcing the Obama administration in early days to toy with the idea of a G-2, a global condominium of the US and China, whereby China could be expected to look after and 'manage' the Asia-Pacific. The Obama administration, however, was signaling that it was more interested in managing America's decline than in preserving its pre-eminence in the global order. There was no strategic vision about Asia apart from the hope that US and China could work together to sort out global problems.

Today it is a much different scenario, one where China has started asserting itself more strongly than before, and the choice of the four states Obama visited - India, South Korea, Indonesia and Japan - was aimed at reminding China that the US still retains its role as the principle balancing force in the region. All four states are worried about China's rise and its attempts in the recent past to assert its interests more forcefully in the region. There is a clamor for American leadership in the region, as none of the regional states want China to emerge as the dominant actor in the region. All want a stronger US presence in the region to confer greater stability.

Success in India

In that context, the first leg of Obama's visit can indeed be deemed a success. India's recent rise has been described by Obama as being in the best interests of both India and the US - as well as the world. Interestingly, it was in India that Obama had to work the hardest to convince Delhi that the US takes its interests seriously. He did so by embracing the idea of India as a permanent member of an expanded UN Security Council - a significant endorsement of India's growing economic power and global aspirations. But he added some riders by asking India to share responsibilities in tackling issues like Iran and Myanmar. He also handled the Pakistan issue delicately by making unambiguous American opposition to the terrorist safe havens in Pakistan. He was sensitive to the fact that India considers Kashmir a bilateral issue between India

and Pakistan and maintained that that "it is in the interest of India and Pakistan to reduce tensions between themselves and the US cannot impose solutions to these problems."

During Obama's visit, more than 20 deals worth \$10 billion were signed by the corporate sectors of the two states. These deals included the sale of military transport aircraft, civilian airplanes, mining equipment and jet engines. Obama raised trade barriers and infrastructure bottlenecks as two problem areas in attracting greater American investment.

Other key agreements signed by Delhi and Washington during Obama's visit included a pact on setting up a joint clean energy research and development center, MoUs on a Global Center for Nuclear Energy Partnership, a global disease protection center and a pact on technical cooperation for the study of monsoons. India and the US also agreed to work closely on agricultural development and women's empowerment in Afghanistan, as well as boosting joint efforts to promote a reliable information and communications infrastructure, with the goal of free, fair and secure access to cyberspace.

The two states also decided to put in place a four-part export control reform program that includes American support for India's membership in multilateral export control regimes, removing India's defense and space-related entities from the American "Entities List," export licensing policy realignment and cooperation on export control. In line with Obama's declaration that India is no longer a rising power but has already "arrived," both countries have announced a dialogue on the Asia-Pacific, which will expand current consultations to include East Asia, West Asia and Central Asia.

Closing the Indo-Obama gap

The visit came at a time when there is a real concern in the corridors of power in New Delhi and Washington that Indo-US ties were drifting. Even two years after Obama's remarkable victory, Indians have yet to become comfortable with his presidency. India continues to pine for George W Bush, who changed the tone and tenor of US-India ties substantively by gifting India the civilian nuclear energy cooperation pact, thereby re-defining the global nuclear architecture and India's place in it.

It was indeed a tall order for Obama to match Bush's achievements vis-à-vis India. Moreover, Obama's tryst with India started on a wrong note. Indian Prime Minister Manmohan Singh apparently was not on the first list of leaders who received a call from Obama after his victory, and Indian strategic elites, obsessed with symbolism in international diplomacy, took it as a sign that India was not being viewed as important by the new administration in Washington. At least initially, the only context in which Obama talked of India was the need to sort Kashmir out so as to find a way out of America's troubles in Afghanistan. For an administration dealing with multiple global and domestic crises, India was simply not a priority. Though Obama invited Singh as his Presidency's first state guest last year, it did little to assuage concerns in Delhi about the trajectory of his South Asia policy.

But in the last few months, the Obama administration has made a concerted effort at wooing New Delhi, and his visit was an attempt at allaying some of India's concerns. How far Obama was able to do that will depend on what Washington decides to do in the coming months, especially in Afghanistan and Pakistan. But Obama has succeeded in solidifying the achievements of his predecessor by building a partnership between the world's oldest and largest democracies that will stand the test of time.

Source(s): 17 November

<http://www.isn.ethz.ch/isn/Current-Affairs/ISN>

<Insights/Detail?lng=en&id=123976&contextid734=123976&contextid735=123975&tabid=123975>

Pakistan's Squeamishness on Obama's Visit to India

By Dr. Subhash Kapila

President Obama's visit to India from November 6-8, 2010 has drawn political and strategic attention in more ways than one, both globally and regionally. It was one more significant step in the overall reinforcing of the US-India Strategic Partnership which thrives on the strength of bipartisan political support in both the United States and India.

Significant to note is the fact that the US-India Strategic Partnership has evolved based on shared strategic convergences outweighing the normal political clichés of shared values of democracy and liberal societies. The evolution of this Partnership spans two different political dispensations in both the United States and India. The path traversed in the past decade may have been bumpy for both sides and nuances too at times may have hung precariously on United States giving priority to its short term strategic interests in South Asia because of American policies focusing on Pakistan. The reality however is that this vital Strategic Partnership still continues to receive political priority in both the United States and India and both perceive strategic value in it.

Both in the United States and India, the media and the policy analysts have analyzed and overanalyzed President Obama's visit to India many times over in a segmented analysis of President Obama's statements in India, and therefore this paper would steer clear of repetitiveness. This paper would like to concentrate on the significantly noticeable 'squeamishness' that pervaded in Pakistan both during President Obama's visit to India and thereafter.

Discarding a segmented review, the overall major conclusion for Pakistan's current squeamishness arises from Pakistan Army's strategic realization that the United States in the face of India's growing strategic weight is veering away from its long bestowed status of "Pakistan as a Strategic Co-Equal of India"

'Squeamishness' is the right word to describe Pakistan's reactions as the dictionary meaning describes it as 'nauseated', 'shocked', 'sickened', and 'disgruntled'. Pakistan's

reactions were a mixture of all these elements to President Obama's visit to India, its underlying symbolism, his statements on crucial political issues and the political recognition he bestowed on India in terms of 'India not being an emerging power, but a power that has emerged.'

Pakistan's squeamish responses in wake of President Obama's visit to India in terms of protests over United States endorsement of India's candidature for Permanent Membership of the UN Security Council, President Obama omitting a concurrent visit to Pakistan while visiting India as has been the pattern of such Presidential visits to South Asia and President Obama not mentioning Kashmir in his address to the Indian Parliament, basically arise from Pakistan's perceptions that its hitherto fore "Strategic Co-Equal Status" with India in US policy formulations stands devalued, if not lost completely.

<http://www.eurasiareview.com/201011179724/pakistans-squeamishness-on-obamas-visit-to-india.html>

Japan, Germany fume at Obama's UNSC nod

With India having got the US's coveted backing for a permanent seat in the United Nations Security Council, two major aspirants to the high table are fuming. Both Germany and Japan went public with their annoyance at their claims being overlooked and made their displeasure known to the US.

In an interview to an Indian news channel, US ambassador to India Tim Roemer revealed that the two nations had asked why India had been accorded special treatment. That clearly indicated the distance to be travelled for UN reform to become a reality, he said.

He also suggested that backing for India showed Washington's stress on pursuing ties with India that President Obama outlined on his visit. US has shifted own stance to endorse India

Source(s): 10 November

http://epaper.timesofindia.com/Repository/getFiles.asp?Style=OliveXLib:LowLevelEntityToPrint_TOINew&Type=text/html&Locale=english-skin-custom&Path=CAP/2010/11/10&ID=Ar00106

Countering China, Obama Backs India for U.N. Council

Sheryl Stolberg and Jim Yardley, New York Times, November 8, 2010

NEW DELHI — By endorsing India for a permanent seat on the United Nations Security Council, President Obama on Monday signaled the United States' intention to create a deeper partnership of the world's two largest democracies that would expand commercial ties and check the influence of an increasingly assertive China. Mr.



Obama's announcement, made during a nationally televised address to the Indian Parliament, came at the end of a three-day visit to India that won high marks from an Indian political establishment once uncertain of the president's commitment to the relationship. Even as stark differences remained between the countries on a range of tough issues, including Pakistan, trade policy, climate change and, to some degree, Iran, Mr. Obama spoke of India as an "indispensable" partner for the coming century.

Mr. Obama's closer embrace of India prompted a sharp warning from Pakistan, India's rival and an uncertain ally of the United States in the war in Afghanistan, which criticized the two countries for engaging in "power politics" that lacked a moral foundation.

It is also likely to set off fresh concerns in Beijing, which has had a contentious relationship with India and has expressed alarm at American efforts to tighten alliances with Asian nations wary of China's rising power. But warmer ties between the United States and India, in the making for many years, come at a crucial time for Mr. Obama. He and Prime Minister Manmohan Singh are headed to South Korea later this week for a meeting of the Group of 20, apparently in agreement on what is expected to be a significant clash between the world's big powers over the United States Federal Reserve's plan to boost the American economy by pumping \$600 billion into it.

China, Brazil and Germany have sharply criticized the move by the independent Fed, which they see as intended to push down the value of the dollar to boost American exports. Germany's finance minister equated the move to currency manipulation "with the help of their central bank's printing presses."

Many Indian analysts said Mr. Obama had big shoes to fill, given the popularity here of his two predecessors. President George W. Bush is viewed with admiration, largely for his work securing a civil nuclear cooperation pact. And former President Bill Clinton, who in 2000 became the first American president to visit India in two decades, is fondly remembered for his gregarious personality and his own speech in Parliament, credited for reviving the relationship.

The headline moment of the trip was Mr. Obama's announcement on the United Nations seat, even though the endorsement is seemingly as much symbolic as substantive, given the serious political obstacles that have long stalled efforts to reform membership of the Security Council.

"It's a bold move — no president has said that before," said Richard Fontaine, a former adviser to Senator John McCain who wrote a critical report of Mr. Obama's India policy last month for the Center for New American Security. "It's a recognition of India's emergence as a global power and the United States' desire to be close to India."

But any outreach to India is bound to cause problems for Mr. Obama in Pakistan. In Islamabad, Pakistan's Foreign Ministry warned that Mr. Obama's decision would further complicate the process of reforming the Security Council. Pakistan, the ministry said in

a statement, hopes the United States “will take a moral view and not base itself on any temporary expediency or exigencies of power politics.”

<http://www.nytimes.com/2010/11/09/world/asia/09prexy.html>

Obama rides the Asia wave

Robert D Kaplan, New York Times, November 13, 2010

Obama has insisted that his 10-day Asian journey is all about jobs: “The primary purpose is to ... open up markets so that we can sell in Asia, in some of the fastest-growing markets in the world, and we can create jobs here in the United States of America.” But this recasting of the agenda, a late reaction to the midterm election, obscured the vital geopolitical importance of the trip.

In fact, the president has been confronting a new strategic map that lies beyond our messy and diversionary land wars in Afghanistan and Iraq. In geographical terms, two of the countries on the itinerary, India and Indonesia, are in the same increasingly pivotal region: the southern coastal areas, or “rimland” of Eurasia, which is emerging as the world’s hydrocarbon interstate, uniting energy-rich Arabia and Iran with the growing economies of the Pacific. Gone today are the artificial divisions of cold-war-era studies: now the “Middle East,” “South Asia,” “Southeast Asia” and “East Asia” are part of a single organic continuum. In geopolitical terms, the president’s visits in all four countries are about one challenge: the rise of China on land and sea.

Indeed, India’s emergence as a great Eurasian power that constitutes the best piece of news for American strategists since the end of the cold war. Merely by rising without any formal alliance with Washington, democratic India balances statist China. Even closer links between the United States and India would be better — and no doubt factored into Obama’s talk of backing India for a seat on the United Nations Security Council — but are made complex by our chaotic land wars.

India wants a relatively benign and non-fundamentalist Afghanistan as a way of limiting Pakistan’s influence in the region. (That’s why India supported the Soviet-puppet Afghan leaders in the 1980s against the CIA-backed mujahedeen.) Were the United States to withdraw precipitously, India would understandably look to Iran, Russia and perhaps China as allies in a tacit effort to contain Pakistan. Thus we could lose the prospect of a de facto pro-American India to balance the military and economic rise of China.

Obama must weigh this fact against the knowledge that every year the war in Afghanistan costs our military the equivalent of building several aircraft-carrier strike groups that could be used to increase our presence and to contain the expansion of the Chinese navy in the Western Pacific, something that would assuage the concerns of our allies there.



With Indonesia, Obama faces a similarly tricky challenge. Well over 200 million of Indonesia's 240 million inhabitants are Muslims. Because the bearers of Islam there were sea-borne merchants, and thus heralds of a cosmopolitan interpretation of the faith that fit well with indigenous Javanese culture, Islam in Indonesia has lacked the austere ideological edge found in the Middle East.

Today, however, the advent of global communications, along with the wars in Iraq and Afghanistan and the dispatch of Wahhabi clerics from the Persian Gulf to the Far East, has radicalised many Indonesians. This puts the nation's leaders in a bind: on the one hand, they want a robust American naval presence to counterbalance China, which is Indonesia's largest trading partner; on the other, they fear angering the wider Islamic world if they make closer ties to Washington too public.

Indonesia, whose archipelago is as vast as the continental US is wide, has only two submarines; China has dozens. While China's materialistic culture may soften the influence of political Islam in Southeast Asia, China also plays on the tension between the West and global Islam in order to limit American influence there. That is why Obama's mission to rebrand America in the eyes of Muslims carries benefits that go far beyond Indonesia and the Middle East.

Indonesia's Muslim democracy, a dozen years after the fall of Suharto, boasts vigour and moderation. And combined with Indonesia's immense population, it augurs the emergence of a sort of "second India" in the Eurasian rim land, strategically located on the Strait of Malacca, the shipping superhighway between the Indian and Pacific Oceans. Since the art of preparing for a multi polar world in military as well as economic terms is to gain the support of like-minded others, the Obama administration needs to use the energy generated by the president's visit in order to adopt Indonesia as its new favourite country, just as India was adopted by the George W. Bush administration to substantial effect.

As for Japan and South Korea, while China remains their biggest trading partner, both fears Beijing's growing navy and the "soft power" it projects in the Pacific. This is largely why these countries have let Washington maintain a military presence on their soil and the US has pushed them to expand their own forces.

Yet the Japanese and South Korean publics are increasingly restive about the American military bases. Thus our strategic future in the region is not these huge cold-war-type bases with their fast-food restaurants and shopping malls; they inevitably become political millstones. Rather, we need discreet operating locations, under local sovereignty, that the Pentagon helps to maintain. It will work only if such operations don't raise the ire of the local populations and press, meaning that our public diplomacy will have to be effective and unceasing.

Source(s): 13 November

<http://www.indianexpress.com/news/obama-rides-the-asia-wave/710551/0>



Song-and-dance partners

The Economist, Nov 8th 2010,

TRUE friends are welcome to pop around, even when they have little of substance to talk about. So good is the India-America relationship these days that Barack Obama has been warmly welcomed even when he comes with precious little to say.

The opening part of his four-country Asia trip, in India, may turn out to be a great success (at least compared with the Indonesian part of it, which risks being blown off course by a troublesome volcano). But the first two days delivered little for anyone to get excited about. A few business deals for American companies were brushed together into a package worth some \$15 billion, announced in a speech in Mumbai—which supposedly will create 50,000 jobs in America. Disgruntled voters back home are unlikely to pay much heed.

A visit by Mr Obama and the first lady to the Taj Mahal hotel in Mumbai—scene of a gruesome terrorist attack two years ago—was touching, but as India-America intelligence-sharing is already pretty good, there was nothing much to say about improving matters there.

During an eloquent speech to the combined houses of parliament, in Delhi, Mr Obama did raise a cheer by talking of welcoming India, “in the years ahead”, as a permanent member of a reformed UN Security Council. That is certainly a signal of the warm ties between the two countries, but it is most unlikely that it will lead to any practical changes in the near future. Note that Mr Obama did not say explicitly that America would push for India to get a permanent seat soon, nor is there much sign that America anyway wishes to get UN reform efforts under way.

Inevitably the Indians hoped that Mr Obama would be as rude as possible about Pakistan. The British prime minister, David Cameron, had obliged during a trip in July, saying bluntly that Pakistan exports terrorism over its borders. Confirming as much in London last month, Pakistan’s ex-president, Pervez Musharraf, said he knew militant groups were being allowed across Pakistan’s border in an effort to bring India to the table for talk about Kashmir. Mr Obama talked mostly about encouraging dialogue between the two tetchy neighbours, but was quite explicit in saying that he would “continue to insist to Pakistan’s leaders...that the terrorists behind the Mumbai attacks be brought to justice.

Beyond that has left little more than beautiful photo opportunities and a light-footed display by Michelle Obama, who danced along with schoolchildren to a Bollywood number on Saturday and then again on Sunday to a Konkani song. The president gamely joined in, with slightly less aplomb. He is likely to be more at ease discussing economic policy with India’s cerebral prime minister, Manmohan Singh.

India and America could potentially become very close friends indeed. The similarities are many: each has a large territory and population, a federal system, a fondness for democracy, a deeply religious society, a middle class keen on indulging in great material consumption, a history of throwing off British rule, and so on. More important, each country has an uneasy eye on the rising economic, military and diplomatic power of China, in Asia and beyond, and looks to the other to serve as some sort of counterweight.

Thus, more so than the monetary value of various military procurement deals announced during Mr Obama's trip, closer defence co-operation between India and America is what really matters. Already America conducts more joint military exercises with India than it does with any other single country, notably in the Indian Ocean. Now American firms are keen to tap into some \$45 billion that India is expected to spend in the next few years on re-equipping its armed forces.

India-America trade is not huge yet—it may reach \$50 billion this year, still somewhat less than the value of either country's trade with China, for example—but it has the potential to grow. Mr Obama, as he was widely expected to do, did announce some easing of export controls on hi-tech goods to India, which will help in the defence and space industries, but it will not transform the trade relationship. More important would be resolving a spat over the liability that foreign investors will face when getting involved in India's civil-nuclear programme. That, sadly, does not seem to be on the cards

http://www.economist.com/blogs/asiaview/2010/11/obama_india

Obama's India trip splashed across Pakistani media

Dawn, November 8

Barack Obama's four-day India visit received massive coverage in the Pakistani media which highlighted the US president asking India to bolster peace efforts with Pakistan. The Daily Jang said, "Obama urges India to work for peace with Pakistan while cautioning Pakistan that the pace of steps taken for curbing terrorism need to be expedited."

"Be a good neighbour, Obama tells India", screamed the headline of Dawn newspaper.

"President Obama used the meeting with students in Mumbai Sunday to teach them the lesson of joy in being a good neighbour," it said while referring to Obama's interaction with students of Mumbai's St. Xavier's College.

A headline in The Nation was blunt: "Carrots for India, sticks for Pakistan".

The News said: "Obama called on India to bolster the peace efforts with Pakistan that started to flounder in 2008 after the Mumbai attacks."

"It is evident that the Obamas are willing to go the extra mile and give an informal touch to the official engagements," said daily Khabrain.

"Islamabad and New Delhi start resolving the smaller issues before moving on to the more contentious issues," said Nawa-i-Waqt, adding that "Mumbai attacks also had a damaging impact on Pakistan".

<http://economictimes.indiatimes.com/news/politics/nation/Obamas-India-trip-splashed-across-Pakistani-media/articleshow/6888815.cms>

Obama's India visit is Pakistan's wake-up call: analysts

The Dawn, November 10

The symbolism, trade deals and fine words of Barack Obama's courtship of India should be Pakistan's wake-up call to fix its economy and eradicate militancy to ward off isolation, analysts say.

The US president declared India a world power, the India-US alliance "one of the defining partnerships of the 21st century" and unveiled deals worth 10 billion dollars designed to create 50,000 American jobs in an ailing economy.

Going further than any US president before, he backed India's quest for a permanent seat on the UN Security Council, although with no immediate prospect of reform and likely strong Chinese opposition, it was a largely symbolic move.

Just weeks after Pakistan's latest round of "strategic dialogue" with the US in a bid to overcome mistrust, the warm embrace between Obama and Indian Prime Minister Manmohan Singh stood in stark contrast.

"Pakistanis have to be more realistic on understanding India's growing international role," political analyst Hasan Askari told AFP.

"India is investing in the United States while our economy is in bad shape. There is no Pakistani investment in the West, very little in the Middle East. We ask for money from the United States, while India does not." Former lieutenant general-turned-security analyst Talat Masood said Pakistan was obviously concerned by US-India ties, and would remain apprehensive about India unless relations with Pakistan are normalised.

"But there is not much it can do. Pakistan has to adjust itself to the existing reality. It should improve its own domestic situation," Masood said.

<http://public.dawn.com/2010/11/10/obama%E2%80%99s-india-visit-is-pakistan%E2%80%99s-wake-up-call-analysts.html>

China issues lurk behind Obama's visit to Asia



The People's Daily, November 16, 2010

During his recent Asian tour, Obama did not step on Chinese soil, but China-related topics appeared on the schedule of every leg of his journey directly or indirectly. The "China shadow", as David Lampton, a noted China expert from the U.S.-based Johns Hopkins University, called it, appeared in the speeches of every stop of the visit.

Even before this visit, many international media groups had shown interests in the reason why Obama was visiting the Asian countries "around" China. Discussions regarding the United States' containment of China also became extremely hot.

During the visit, some of the comments made by Obama, such as "prosperity without freedom is just another form of poverty," were also considered as alluding to China. The "debate" between Obama and a CCTV reporter at a press conference held in Seoul was also exaggerated by some media groups to the level of "China and the United States confronting each other" and "Obama showing strength to China."

On the whole, the aim of Obama's visit to Asia was to implement his "Returning to Asia" policy, and what lies behind this policy is that the United States is worried about China's rise in Asia. After the 9-11 attacks, the United States has had its hands full with two wars and one crisis. The focus of its foreign policy has been on the Middle East for quite some time. They have greatly ignored Asia, "the most dynamic region of the world."

But China, as its economy skyrockets, is establishing tighter and more comprehensive relationships with the countries of the Asia-Pacific region and becoming more influential. The United States, which still faces difficulties from the international financial crisis and whose influence is weakening gradually, is becoming more and more worried that China will probably dominate Asia exclusively and drive out the United States from the region.

Admittedly, Obama's visit to Asia was indeed partly intended to contain China, but we should conduct objective analysis confidently instead of over interpreting it. Looking at Obama's visit itself, we may see that he chose Japan and South Korea mainly because of the G20 and APEC summits, while visiting India was because he had broken scheduled appointments twice.

He visited China last year, and has met with Chinese President Hu Jintao seven times, not to mention that Hu is going to visit the United States in January 2011. Therefore, it is very normal and reasonable for Obama not to specifically visit China this time.

As a major and also the fastest-growing emerging country in the Asia-Pacific region, China naturally receives more attention from the United States. The United States' eagerness to reengage in Asia and cooperation with Asian countries in containing China has fully shown its concern over China's impressive social and economic development as well as great progress in strengthening relations with surrounding countries in recent years.



In addition, there has been contact and containment in the U.S. policy on China over the years. Although the United States recently stepped up its layout around China, it has not yet separated from the overall framework of U.S. policy towards China. Clinton gave a temporary visit to Hainan during her trip in Asia to meet Dai Bingguo, a member of the State Council. Timothy Geithner also met Wang Qishan, vice-premier of China, at Qingdao Airport after the G20 meeting.

Both China and the United States are playing games in the Asian and Pacific regions. However, as Clinton said, both China and the United States should not play a "zero-sum game." She believes the two countries need to coordinate with each other on major international issues, and the Asia-Pacific countries will not wish to be forced to "choose a side" and even witness situations of regional unrest caused by the rivalry between China and the United States.

<http://english.peopledaily.com.cn/90001/90780/91343/7201357.html>

Obama's wooing of India not that seductive

Global Times, November 17 2010

By Shastri Ramachandaran

US President Barack Obama's three-day visit to India has given rise to diverse conclusions about the foreign policy directions and inclinations of the government of the Indian Prime Minister Dr Manmohan Singh. The most obvious, and overwhelming, impact of the Obama-Singh summit is the impression that the two leaders are too close for the comfort of some other countries.

A deeper examination of the issues involved and some developments following Obama's visit suggest that this is not really the case. Support to India for a permanent seat in the UN Security Council (US), removal of export controls on high technology and dual-use equipment, acceptance of India in nuclear regulatory bodies such as the Nuclear Suppliers Group (NSG) and Missile Technology Control Regime (MTCR) and commercial deals worth \$10 billion are the four major positives of the visit.

But there are quite a few negatives as well, including Obama not going the whole way to address India's concerns on terrorism and Afghanistan. While he is guilty of omission on these two scores, Obama's "sins of commission" on Myanmar and Iran are clear pointers to the limits of how cosy India-US relations can get.

To take the plus points, on the US issue, three of its five members had already come out in support of India's case. It was felt that if the US, too, pitched for India then China would be more forthcoming about its stand. When Obama said that in "the years ahead the US looks forward to welcoming India" in the Security Council, many in the Indian media pointed a finger at China alone holding back.



Beijing proved the Indian skeptics wrong by declaring on the very day Obama left Delhi that China supports India's desire for a bigger role in the US. These are at best expressions of support and do not translate into votes either from the US or China.

But it's not as if membership of the Security Council is to be thrown open tomorrow. Regardless of what the US says, India has to work to get the votes of UN General Assembly members on the strength of its own credentials.

As for the removal of export control restrictions and commercial deals, the US needs these more than India in order to revive its own economy. As Obama himself said, the commercial deals hold out the promise of 55,000 US jobs. Membership of NSG and MTCR is also in the interests of US companies which hope to sell nuclear reactors and technology under the India-US civilian nuclear agreement.

Obama's criticism of India's policy of non-interference in Myanmar has not earned him any applause either in India or in the wider region. Unlike the US, which believes in regime change to further its strategic interests, India follows a policy of non-interference in the affairs of other countries. In briefings after the visit, officials of the Ministry of External Affairs made it clear that India did not need lectures on democracy and human rights from any other country.

Besides economic cooperation, India has strong and long-standing cultural ties with Iran. The Government of India's official spokesman reiterated that while the UN sanctions would be adhered to, Washington cannot expect India to fall in line with unilateral US sanctions against Iran.

With the US being rebuffed, and so conspicuously, on Myanmar and Iran, it is clear that the two countries hardly see eye to eye on every issue. On Myanmar and Iran, there is no conflict of interest between China, India and other countries in the region. Assumptions of convergence between India and the US have gone awry also in other areas, especially international financial reform. Based on the feel-good factor created by Obama's visit, it was expected that India would bat for the US, and against China on the issue of currency valuation, at the G20 summit in Seoul. This did not happen. On the contrary, China, India and Germany resisted US moves to dictate the terms of the G20's final communiqué.

These developments form a significant backdrop to the series of India-China engagements scheduled in the weeks ahead. From the Russia-India-China (RIC) trilateral meeting of Foreign Ministers at Wuhan on November 14-15 to Premier Wen Jiabao's visit to India on December 16-17, there are interactions slated at other levels, too.

<http://opinion.globaltimes.cn/foreign-view/2010-11/592773.html>

US looks to new dawn in the east



Geoffrey Garrett From: The Australian November 18,

WHEN the history is written, the past two weeks may well be seen as the point at which the US committed itself to the Asia-Pacific century, and to a strategy for supporting a dense network of bilateral and multilateral relationships among pro-market democracies in the region as a way to socialise but if necessary to balance rising China.

There were ample reasons why Barack Obama could have chosen to stay in Washington in the wake of the Democrats' savaging in the mid-term congressional elections. But he and Secretary of State Hillary Clinton covered the length and breadth of Asia.

The President's support for India as a permanent member of the UN Security Council and his Indonesian admission that the US still has a long way to go in building bridges to the Muslim world grabbed the global headlines. Closer to home, Clinton's lengthy menage a trois with Julia Gillard and Kevin Rudd fascinated the local media.

But the extended Obama-Clinton Asia swing was centrally managed out of Washington with a clear purpose to systematically articulate the US's 21st-century Asia strategy: reinvest in traditional alliances, court new friends such as India and Indonesia, jump into the process of Asia-Pacific institution building, work with China without embracing it and highlight the centrality of common values and interests (markets and democracy) as the touchstone of the enterprise.

While some in Australia worry that the alliance is outmoded and that America is uninterested, the US is committed to integrating its bilateral Asian alliances forged after World War II (not only with Australia, but also with Japan and Korea) into a system of 21st-century alliances among capitalist democracies.

Second, Obama on America's new friends: "India is not simply emerging; India has already emerged. And it is my firm belief that the relationship between the US and India, bound by our shared interests and values, will be one of the defining partnerships of the 21st century.

The US wants to embrace India and Indonesia as the two largest pro-market democracies in Asia, talking about its relationships with them in the same terms - shared interests and shared values - as it uses for traditional allies even as it describes the new relationships as partnerships rather than alliances.

Third, Clinton on Asian regionalism: "Let me simply state the principle that will guide America's role in Asian institutions. If consequential security, political and economic issues are being discussed, and if they involve our interests, then we will seek a seat at the table."

Clinton participated in the East Asian Summit this year and Obama will next year. The administration is pumping up the Asia-Pacific Economic Co-operation summit it will host in Honolulu in a year's time. This is a far cry from George W. Bush's conspicuous absence from the institutional dynamism surrounding ASEAN and his lack of enthusiasm for APEC.

Finally, Clinton on US-China: "It is not in anyone's interest for the United States and China to see each other as adversaries . . . We do look forward to working closely with China, both bilaterally and through key institutions, as it takes on a greater role, and at the same time, takes on more responsibility in regional and global affairs."

The contrast is clear. There is no talk of partnership with China, and no talk of shared values and interests. The US must work with China because it is a rising global power. The US will offer China a vision of what its engagement with the US could look like, and hope to socialise China into turning that vision into a reality.

But only if China increases political and economic freedom. Unless and until this happens, the US will view its relationship with China as "work", economically, politically and militarily - essential, but work nonetheless.

<http://www.theaustralian.com.au/news/opinion/us-looks-to-new-dawn-in-the-east/story-e6frg6zo-1225955152493>

MARITIME EDITORIAL

Pirates and Private Navies

Private navies are going to play a crucial role in combating piracy in the Somali coast and raid far out into the Indian Ocean. A group of London-based insurance companies, led by the Jardine Lloyd Thompson Group (JLT), is planning to create a private navy to protect commercial shipping passing through the Red Sea and the north-western Indian Ocean.

Even now, after the monsoon season has kept the pirates relatively quiet for months, 16 ships and 354 sailors are being held captive in the pirate ports along the Somali coast. The average ransom paid to free those ships and their crews has risen to around \$4 million, and it is also taking longer - an average of almost four months between the hijacking of a ship and its release.

So a fleet of 20 fast patrol boats, crewed by well-armed mercenaries, could be just what the doctor ordered. Unhampered by the legal considerations that paralyse the navies, they could just kill the pirates wherever they found them and dump their bodies into the sea.

Rules of engagement: The bad news is that this is not what the insurance companies are planning to do at all. Instead, this private navy would operate under the direct

control of the international naval force that is already in the area, with "clear rules of engagement valid under international law". "We would have armed personnel with fast boats escorting ships, and make it very clear to any Somali vessels in the vicinity that they are entering a protected area," JLT senior partner Sean Woollerson told The Independent newspaper in London. In other words, if you have insured your ship with JLT or its associates and paid the anti-piracy insurance premium (up to \$450,000 per voyage for a supertanker), then you will be escorted by this private navy.

International law at fault: When they were codifying the law of the sea back in the 1970s, the world had no pirate problem worth talking about. So, they dropped the rule of 'universal jurisdiction' that had been the key to suppressing piracy in the bad old days. 'Universal jurisdiction' meant that every navy could arrest suspected pirates of any nationality and try them under its own national laws, since pirates had been defined as "the enemies of all mankind". A British warship could arrest Portuguese pirates off some Caribbean island belonging to the Netherlands, and they would be tried under British law. If they were captured in battle, they could be summarily executed. That's how piracy was wiped out in the first place. But when they were writing the United Nations Convention on the Law of the Sea in the 1970s, there were no pirates any more, so they dropped the rule of universal jurisdiction in favour of a legal regime more attuned to modern notions of human rights and national sovereignty.

Legal quagmire: What has replaced those old rules, in practice, is a legal quagmire where you can never be sure who has legal jurisdiction. So, the navies (which could easily suppress the piracy if they were free to act) refrain from using force and are reluctant even to arrest people at sea who are quite obviously pirates. To extinguish piracy again, we need a modernised version of the old rules. That requires prompt action to create a comprehensive international agreement that gets around the Law of the Sea - tricky, but that's what diplomats get paid for. And if we got such an agreement, we would not even need private navies - the regular navies would be happy to do the job.

There is one other issue, of course. If we use serious force against the pirates, they will threaten to use force against their captives. Some of them might be killed. But since there will never be a time when there are no captives in the hands of the Somali pirates until and unless we crack down hard, that is a risk that we just have to take.

Source(s): Gwynne Dyer, 2 October
<http://www.jamaica-gleaner.com/gleaner/20101002/letters/letters3.html>

China and Rare Earth Minerals

The Chinese government has abruptly ended its unannounced export embargo on crucial rare earth minerals to the United States, Europe and Japan. The embargo, which has raised trade tensions, ended as it had begun — with no official acknowledgment from Beijing, or any explanation from customs agents at China's ports. Rare earths are increasingly in demand for their use in a broad range of sophisticated electronics, from



smart phones to smart bombs. Having blocked shipments of raw rare earth minerals to Japan since mid-September, and to the United States and Europe since mid- October, Chinese customs agents allowed shipments to resume to all three destinations, the industry officials said. They spoke only on condition of anonymity because of the business and diplomatic delicacy of the issue.

Even with containers of rare earths once again leaving China's docks, foreign buyers still face potential shortages. As China's own industrial needs for rare earths have grown, Beijing has repeatedly reduced its export quotas for the minerals over the last five years. So even when China is shipping its full quotas, the outbound supply is now well below world demand.

Moreover, the tight export quotas have caused world prices to soar, even while holding steady in China. Although deposits of rare earths are found in various parts of the world, including the United States, China produces about 95 percent of the global supply of the minerals. That is largely because rare earth mining and processing can be so environmentally risky, creating toxic and even radioactive wastes that other countries have tended to avoid or abandon production. Only recently have other nations begun scrambling to develop or expand their own mining capabilities.

The Chinese shipments resumed only hours before Secretary of State Hillary Rodham Clinton raised the embargo issue at a news conference in Honolulu, where she announced plans to visit China on Saturday to pursue the matter with Chinese officials.

Mrs. Clinton spoke after meeting with Japan's foreign minister, Seiji Maehara, and said that the suspension of shipments had been a "wake-up call" and that both countries would have to find alternative sources of rare earth materials. Because China is on the opposite side of the international dateline from Honolulu, it was already midday in China by the time Mrs. Clinton spoke in Honolulu. Later, after the New York Times Web site reported that the embargo had been lifted, an administration official said the United States was still seeking clarification from China.

In recent weeks, senior Chinese commerce ministry officials have insisted that they had not issued any regulations halting shipments. They have suggested at various times — implausibly, in the view of industry executives — that the halt resulted from a spontaneous and simultaneous decision by the country's 32 authorized rare earth exporters not to make shipments, whether because of a deterioration in Sino-Japanese relations or a greater thoroughness on the part of customs inspectors.

Under this year's quota — 30,300 metric tons of authorized shipments — only a few thousand metric tons remain to be exported in 2010. Meanwhile, annual demand outside China for raw rare earths approaches 50,000 tons, according to industry estimates.

The Chinese government assigns its quotas to the authorized exporters, who often trade those rights like commodities. As recently as 2008, the quota rights themselves



had no market value. But lately, with rising demand, the value of the remaining quotas has soared to the point that the right to export a single ton of rare earths from China now sells for about \$40,000, including special Chinese taxes. That is a sizable, additional cost for buyers of neodymium, a rare earth used to make lightweight, powerful magnets essential to technologies including giant wind turbines, gasoline-electric cars and Apple iPhones.

Neodymium sells for about \$40,000 a metric ton in China, having recovered from a nose-dive during the global economic crisis. But it sells for twice that much outside the country because of the export restrictions, according to data from Metal Pages, a database service in London. The cost of quotas has become exorbitant for users of lanthanum, which is vital for the catalytic converters that clean the exhaust of conventional, gasoline-powered cars. It is mostly produced here in Baotou, a smoggy mining and steel city in China's Inner Mongolia that is the capital of China's rare earth industry. Lanthanum sells for less than \$4,500 a ton in China, but up to 10 times that much outside China because of the export restrictions.

Such price differences have created a big incentive for companies to move factories to China, and many already have. China's shipping embargo has caused much more distress in Japan than in the United States or Europe, and not just because Japan's shipments were cut off much earlier. It is because Japan tends to be affected more than other industrial nations by the way China sets its rare earth export quotas.

China's quotas — and the shipping embargo — have involved only shipments in which the material has a rare earth content of about 50 percent or more. High-technology materials made from rare earths, like special magnetic powders for the clean energy and electronics industries, or polishing powders for the glass industry, are not subject to quotas and are inexpensively available.

Because the United States and Europe mainly buy highly processed rare earth powders from China, the customs policy of blocking shipments of raw rare earths had a limited, mostly symbolic effect. Japan, in contrast, is the biggest importer of raw rare earths and tends to process them into industrial materials. So Japan is more dependent on the materials affected by China's tightening quotas. It was on Oct. 18 that the Chinese government broadened its halt in raw rare earths to include the United States and Europe. That step enabled customs officials to take the position that they were checking all rare earth shipments closely and were not singling out Japan.

The move also occurred only hours after Zhang Guobao, the country's top energy official, summoned foreign reporters in Beijing. There, he delivered a blistering denunciation of the Obama administration's decision to begin investigating whether China's clean energy policies violated the World Trade Organization's free trade rules. But the exact interaction between American policy decisions and Chinese customs enforcement actions is unclear.

For China, the embargo on rare earth shipments has provided at least some geopolitical leverage. The halt was one of a series of measures that China took after Japan detained the captain of a Chinese fishing trawler that collided with two Japanese patrol boats; Japan later released the trawler's captain.

Japanese companies had been able to weather the embargo without any significant factory shutdowns because many Japanese companies had accumulated rare earth stockpiles in the last few years. Still, the interruption of shipments caused dismay and alarm in the Japanese business community and Japan's government. But China's willingness to play economic hardball could yet have long-term drawbacks, if it prompts multinationals to reduce their reliance on manufacturing in China and spread their investments among more countries.

Source(s): 28 October

<http://www.nytimes.com/2010/10/29/business/energy-environment/29rare.html?src=mv>



Japan concerned over China's widening maritime activity

Japan's Prime Minister has expressed concern over China's strengthening military power and expanding maritime activity in Asia, including waters near disputed islands where a ship collision ignited a bitter diplomatic feud. Prime Minister Naoto Kan's comments came after three Japanese held by China for allegedly entering a restricted military zone returned home - a sign that tension between the two Asian giants was easing. Chinese Foreign Ministry spokesman Ma Zhaoxu says Beijing hopes Japan "will work with China to jointly maintain relations between the two countries."

Source(s): 2 October

<http://www.todayonline.com/BreakingNews/EDC101002-0000109/Japan-PM-concerned-over-Chinas-widening-maritime-activity-as-3-Japanese-freed-return>

UAE to Step up Maritime Security

UAE security officials have said they would escort oil tankers under way in the waters of Abu Dhabi emirate in cases where shipping companies asked for vessel protection, it has emerged. Officials at Abu Dhabi's Critical National Infrastructure Authority (CNIA) said that an attack on Japanese oil tanker M Star as it entered the Straits of Hormuz on July 28 implied a need for increased vigilance in the UAE's territorial waters.

The CNIA is tasked with ensuring the security of the emirate's critical assets, including onshore and offshore oil rigs, all energy and water facilities and its waters. The UAE has also been advised to tighten its frontiers as it embarks on a nuclear plant construction programme designed to see first power generated in Abu Dhabi emirate by 2017. The statements came as the CNIA said it had incorporated a number of armed



forces helicopters into an airborne unit to help protect the “marine frontier”, Staff Brig Pilot al Mazrouei said.

Source(s): 8 October

<http://www.seatradeasia-online.com/News/6147.html>

Singapore to deploy more Military Assets

Singapore will be deploying more military assets, over the course of next year, to the Gulf of Aden (GoA) to help in the fight against piracy. To reaffirm Singapore's commitment to the international counter-piracy efforts in the Gulf, the Singapore Armed Forces (SAF) will for the first time, deploy a Fokker-50 Maritime Patrol Aircraft. The plane will provide maritime air surveillance operations in the GoA later this year in December to next year February.

The SAF has also accepted an invitation to command the international Combined Task Force 151, which patrols the GoA, for the second time in March to June next year. Following that, another SAF task group comprising of a Landing Ship Tank (LST) with two Super Puma helicopters, will also be sent for the third time to GoA, in the second half of next year.

The announcement was made by Deputy Prime Minister Teo Chee Hean in his speech at the SAF Overseas Service Medal presentation ceremony at Changi Naval Base where medals were presented to 302 servicemen who had contributed to the counter-piracy efforts in the Gulf of Aden, a hotbed for pirate activity off the coast of Somalia.

Source(s): 8 October

http://www.straitstimes.com/BreakingNews/Singapore/Story/STIStory_588354.html

Antony calls upon Indian Navy to remain alert for maritime security challenges

Defence Minister A.K Antony on Wednesday asked the Indian Navy to remain on alert to handle the maritime security challenges following the existence of the complex maritime security environment in the Indian Ocean region. e also called for an increased Navy-to-Navy contact with the Indian Ocean countries to streamline inter-operability issues.

Addressing Naval Commanders Conference in New Delhi today, he cautioned that the complex maritime security environment in the region requires the Navy to maintain a state of perpetual readiness. Describing the piracy as "a major area of concern in the Indian Ocean Region," Antony said, the Indian Navy's presence in the piracy-affected areas reflects its commitment and resolve to contribute the might in dealing with such threats.

He said New Delhi is committed to the continued deployment of ships and aircraft for enhanced surveillance off the coast of Maldives and Seychelles to ensure maritime



security from piracy. The Minister also stressed at the need to engage like-minded African states in the Western Indian Ocean Region, such as Mozambique, South Africa, Tanzania and Kenya, to enhance India's strengths and contribute to peace and stability, not only in the Asia-Pacific region, but also in the entire Indian Ocean Region.

He observed, there is a need to sustain the momentum of cooperation with Sri Lanka to ensure peaceful fishing on either side of the International Maritime Boundary Line and to prevent a possible resurgence of the LTTE.

While asserting the need for modernisation, the Defence Minister, assured the Naval Commanders that wherever required, import options would be considered to meet operational requirements. Meanwhile, referring to the creation of operational infrastructure in the Andaman and Nicobar Islands and Lakshadweep and Minicoy Islands, the Defence Minister said it would be accorded due priority. He said the Government has also accorded approval for forward naval bases at Tuticorin and Paradip.

In his address, the Naval Chief Admiral Nirmal Verma, commended the Naval Commands for integrating coastal populace into the coastal security architecture through widespread campaigns.

Source(s): 27 October

<http://sify.com/news/antony-calls-upon-indian-navy-to-remain-alert-for-maritime-security-challenges-news-national-kk1wEfhhgii.html>

MARITIME ENVIRONMENT

IMO Stalls on Climate Action

The International Maritime Organization (IMO) failed to reach an agreement on proposals to reduce greenhouse gas emissions in the global shipping industry. The marine environment protection committee of the Organization (which is a United Nations body) concluded a meeting on 1 October in London without making any significant progress on the critical issue.

The global shipping sector accounts for nearly 3% of global carbon dioxide emissions. Numerous proposals for reducing global warming pollution from ships were presented at the meeting, but agreement was stalled by objections from developing countries including China, India, Saudi Arabia and South Africa. IMO decisions are generally made by consensus. The U.S. presented a proposal to reduce greenhouse gas emissions by requiring mandatory energy efficiency standards for ships and allowing trading of efficiency credits as a means to ensure compliance. Nine other proposals for market-based measures for reducing greenhouse gas emissions also were discussed, including a greenhouse gas fund established by the purchase of emissions reductions

credits, a port state levy on emissions, and a global emissions trading scheme (cap and trade) for international shipping.

These measures were opposed by developing countries on the grounds that mandatory sector-wide measures to reduce greenhouse gases from ships would run counter to the principle of common but differentiated responsibility that is central to the UN Framework Convention on Climate Change. The developing countries are also concerned that their economies would be disproportionately impacted by such measures. The non-profit, environmental law firm Earth justice called on the U.S. government to unilaterally strengthen regulations governing climate change pollution from ships.

Sarah Burt, an attorney with the international program of Earth justice, said, "Global warming is a global problem, to which a global solution would be ideal. But the United States should not wait for strong mandatory requirements by the IMO when that body seems unable to act," Burt said. "Rather, we should push forward with domestic regulations that address a significant portion of the greenhouse gas emissions at issue.

If the other nations object to the United States' domestic action, we should challenge them to catch up to and surpass us in addressing this problem. Once they've done so, our regulations may no longer be necessary. But until then, domestic regulation is the best tool we've got. "

Source(s): 5 October

<http://uk.ibtimes.com/articles/20101005/imo-stalls-climate-action-earthjustice.htm>

Fish population to shrink drastically over next 40 years: UN report

A report released by the United Nations Environment Programme predicted that the fish populations in the world will decline drastically in the next 40 years due to the factors including overfishing, rises in sea surface temperatures, and marine pollution, local media reported.

It warns that larger species such as tuna will almost disappear, leaving fisheries dependent on smaller species measuring around 20 centimetres, the public broadcaster NHK reported.

The release of the report on marine ecosystems coincided with an ongoing international conference on biodiversity in the central Japanese city of Nagoya. Representatives from all corners of the world gathered in the central Japanese city of Nagoya for the 10th meeting of the Conference of the Parties to the Convention on Biological Diversity, known as COP10.

If the marine environment continues to deteriorate at the current rate, multi-million dollar services including fisheries and tourism could be adversely affected, UNEP officials were quoted as saying and they called for urgent countermeasures. According to a separate UN report released at the meeting on Wednesday, the world will suffer an

annual economic loss of some 4.5 trillion U.S. dollars if no measures are taken to protect ecosystems and maintain biological diversity.

Source(s): 21 October

http://news.xinhuanet.com/english2010/sci/2010-10/21/c_13568899.htm

MARITIME CO-OPERATION

South Korea Hosts Multinational Maritime Drill

South Korea hosted a two-day multinational maritime drill for interception of weapons of mass destruction. The naval drill led by the U.S., started on 13 October off the southern port city of Busan, and ended on 14 October.

South Korea hosted the exercise code named 'Eastern Endeavour 10', for the first time. About 10 warships and aircraft from South Korea, the U.S., Japan and Australia participated.

Seoul planned to host the drill after the sinking of a South Korean warship in March. South Korea has blamed North Korea for the sinking incident, but Pyongyang has denied any involvement. An official from Seoul's Defence Ministry said the exercise did not target any specific country, including North Korea. North and South Korea are still technically at war since the 1950-53 Korean War ended in a truce without a peace treaty.

While, North Korea strongly criticized South Korea Saturday for its participation in a multinational maritime drill to prevent the transfer of weapons of mass destruction, calling it a "declaration of war." "A naval blockade is seen during wartime and cannot be tolerated," Rodong Sinmun, a daily newspaper published by North Korea's Workers' Party, said in a commentary moved by the Korea Central News Agency (KCNA). "It is a military provocation against us (North Korea) and is a declaration of war."

Source(s): 15 October

http://english.ntdtv.com/ntdtv_en/ns_asia/2010-10-15/478696513634.html

China, U.S. maritime security talks "candid": Chinese Defence Ministry

Talks between Chinese and U.S. militaries on maritime security second week of October were "substantial" and "candid," China's Ministry of National Defence said. The two sides held annual consultations in Hawaii under their Military Maritime Consultative Agreement (MMCA) mechanism, said a statement issued by the ministry. The two sides exchanged opinions on their maritime security situation since this year and solutions to

maritime security concerns in a "substantial" and "candid" manner, it said. They also reached agreement on the issues of next year's MMCA working group meetings, it said.

The Chinese delegation was led by Rear Admiral Liao Shining, Deputy Chief of Staff of the People's Liberation Army Navy, and the U.S. delegation was led by Major General Randolph Alles, director of the Strategic Planning and Policy Bureau of the U.S. Pacific Command.

Source(s): 17 October

http://news.xinhuanet.com/english2010/china/2010-10/17/c_13561512.htm

Myanmar laying rail line to China

Myanmar has started work on a railway line from its planned deep-sea port at Kyaukphyu to south-western China's Yunnan province. The line, which will be completed in 2015, will transport Chinese goods for export, and also be used by China to expand its access to Myanmar's natural resources. The two countries began work on an oil pipeline from Kyaukphyu to Ruili in Yunnan. The planned railroad will also run from Kyaukphyu, which is in Myanmar's western Rakhine state, to Ruili and Yunnan's capital Kunming. China's official Xinhua agency said China also planned to invest in a special industrial zone at Kyaukphyu.

The railway project, and the development of the port, was discussed last month during Myanmar leader General Than Shwe's talks with Chinese President Hu Jintao. The Myanmar's military regime leader also sought Chinese support for elections scheduled for November.

In recent years, Chinese companies, particularly those based in south-western Yunnan province which neighbors Myanmar, have accelerated investments in oil, gas and natural resources in the country. China has also invested in developing deep-sea ports, such as Kyaukphyu in Maday Island, part of a larger plan to secure greater access to Indian Ocean ports and reduce its dependence on the narrow Malacca Straits for its imports of oil from West Asia and Africa.

China eventually hopes to use Kyaukphyu as a centre for its imports of oil. The China National Offshore Oil Corporation (CNOOC) is involved in building both a deep-sea port and storage facilities, from where oil will be transported through the planned pipeline, expected to be opened in 2012, to Yunnan.

Source(s): 18 October

<http://www.hindu.com/2010/10/18/stories/2010101855070900.htm>

India, Japan to steadily expand security and defence cooperation

Indian Prime Minister Dr. Manmohan Singh and Japanese Prime Minister Naoto Kan decided to steadily expand security and defence cooperation between India and Japan



Both the leaders today held extensive talks on bilateral, regional and global issues of shared interest, in which they also aimed to cooperate to enhance their capacity in responding to security challenges such as maritime security which entails safety and freedom of navigation and counter-piracy, humanitarian assistance and disaster relief and response, inter alia, through bilateral and multilateral exercises, information sharing, training and dialogue. In this context, they welcomed the launch of India-Japan Shipping Policy Forum and mutual exchange of schedules of escort operations by the Indian Navy and Japan Self-Defence Forces in the Gulf of Aden. Both the Prime Ministers instructed relevant authorities to realize the full potential of the Action Plan to advance Security Cooperation signed in 2009, based on the Joint Declaration on Security Cooperation between India and Japan.

Source(s): 25 October

<http://news.oneindia.in/2010/10/25/indiajapan-to-steadily-expand-security-and-defensecoopera.html>

MARITIME INFRASTRUCTURE

Dhaka seeks \$1.2b Chinese credit to fund deep sea port

Bangladesh has sought \$1.2 billion in loans from China to help finance the planned deep sea port at Sonadia as it has initiated move to mobilise funds. China's recent interest in financing Asian ports has led the government to explore the Chinese involvement as a co-financier in the multi-billion dollar project, an official of the Shipping Ministry said.

The port is slated for completion in three phases and the annual container handling capacity of the Sonadia port is estimated to be 3.0 million TEUs (twenty-foot equivalent unit) and the bulk cargo handling to be 100 million tonnes. The government will provide 30 per cent of the Tk 150 billion project, with the rest coming in from domestic and external sources, the official said

He said that Chittagong Port Authority was expected to give Tk 10 billion while the development budget will make up the government portion. If operational, the port will become a major hub in the region, providing services to Nepal, Bhutan, southern China, Myanmar and the north eastern region of India. The official said mother vessels can also berth at the proposed port given Sonadia's draught and it will reduce the trade costs of the local businessmen. The port will be connected through a bridge of 10-12 kilometre long at Cox's Bazar and 40-kilometres of railway tracks and roads between Chittagong and Cox's Bazar, he said.

Another shipping ministry official said the government is drafting a law to regulate the proposed Deep Sea Port Authority. The draft is almost finalised and the ministry will send it soon to the Law Ministry for vetting, he said, adding, "It is expected that the bill

can be placed by early next year." The bill will include definition, formation of the authority, its scope and general authority provisions, the official said. Pacific Consultants International (PCI) of Japan submitted a detailed study report on the feasibility of the deep-sea port in April.

The first phase of the deep-sea port, to be completed by 2016, will have two harbours of nine 300-metre (long) jetties along with the required infrastructure and back-up facilities, the PCI study report said. The second phase, to be completed by 2035, would see two more harbours with the same specifications. The deep-sea port would ultimately have six harbours when the third phase is completed by 2055.

Source(s): 12 October

http://www.thefinancialexpress-bd.com/more.php?news_id=114478&date=2010-10-12

Radar sensors to be set up along coastlines

The Indian Government has launched a Rs. 350-crore project to set up radar sensors along the country's coastlines for surveillance to prevent terrorists from entering the nation to repeat the Mumbai-type attack. The chain of radar sensors along the entire 7,517-km coastline, the Andaman and Nicobar Islands and Lakshadweep is being set up by the Coast Guard under a Home Ministry scheme.

The radar sensors will be fitted on light houses at 46 locations, out of which 36 are in mainland, six in Lakshadweep Islands and four in the Andaman and Nicobar Islands. Radar sensors use Frequency Modulated Continuous Wave to reliably detect moving or stationary objects even in extreme weather conditions.

As part of the overall coastal security, the Navy has been designated as the authority responsible for overall maritime security which includes coastal and offshore security. The Indian Coast Guard is additionally designated as the authority responsible for coastal security in territorial waters, including areas patrolled by State Coastal Police. The first phase of the Coastal Security Scheme provides for setting up of 73 coastal police stations, 97 check posts, 58 outposts and 30 operational barracks, equipped with 204 vessels and vehicles in the nine coastal states and four coastal Union Territories.

In September 2010, the government had approved the second phase of the coastal security scheme to be implemented from April 1, 2011 at a cost of Rs 1,100 crore. The Ministry of Shipping has also been mandated to streamline the process of registration of all types of vessels - fishing as well as non-fishing - and also to ensure fitting of navigational and communication equipment on these boats. Of India's total coastline, 5,423 km is along the mainland and 2,094 km in the Andaman and Nicobar and Lakshadweep Islands.

Source(s): 17 October

<http://www.thehindu.com/news/national/article834379.ece>



SHIPPING

President Pratibha Patil Calls for Expanding the SCI Fleet

The Indian President Pratibha Patil called upon the Shipping Corporation of India (SCI) to expand its fleet within a timeframe, lay emphasis on technology and meet the country's growing requirements. The President was speaking at the golden jubilee celebrations of the SCI. Much in tune with the exhortation of Ms. Patil, Minister of Shipping G.K. Vasan announced the acquisition of 118 new vessels by 2020. He said that orders for 28 vessels had been placed, eight of which would be inducted into the SCI fleet by the end of the current financial year. The SCI will be acquiring 50 more vessels by 2015 and 40 more by 2020.

Source(s): 3 October

<http://www.hindu.com/2010/10/03/stories/2010100354471200.htm>

SHIPBUILDING

Chinese shipbuilding volume and orders exceed Korea

According to the statistics provided by Clarkson, a world leading provider of integrated shipping services in UK the global shipbuilding orders are on the swell boosted by the recovering world economy and sea transportation market.

During January to September, the world shipbuilding orders totalled 23.54 million CGT growths of 170.7%YoY including 8.96 million CGT from Korea with the volume for construction at 12mln CGT ranking after China in the second top of the world. Besides, the not yet finished orders in Korea stood at 46.16 million CGT also followed by China. In the first nine months this year, the major newly increasing orders in Korea are bulk freighters and oil tankers. As predicted, the orders for container ships, LNG ships and oceans facilities are hopefully to increase in the future.

Source(s): 18 October

http://www.steelguru.com/chinese_news/Chinese_shipbuilding_volume_and_orders_exceed_Korea/170434.html