

MAKING WAVES

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Editorial Team

Cdr Abhijit Singh
Mr. Jithin S George

Phone : +91 011 26154901
Fax : +91 011 26156520

Address

National Maritime Foundation
Varuna Complex, NH-8 New Delhi-110010, India
E-mail: maritimeindia@gmail.com
URL : www.maritimeindia.org

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US insists on gunboat policy

By Luo Yuan

A recent Pentagon report has said that the aircraft carrier USS George Washington would participate in a series of joint naval exercises in the Yellow Sea with South Korea in the coming months. If true, this would overturn the previous declaration by U.S. military officials. China resolutely opposes the use of the Yellow Sea and other coastal waters by foreign military vessels and planes because it may compromise the country's security interests, so it urges the relevant parties to respect China's concerns.

However, the U.S. insists on operating its aircraft carrier in the Yellow Sea. What kind of message does Obama administration want to send? This tells me that the U.S. government continually pursues hegemony, gunboat diplomacy, and unilateralism. First, there's hegemony. Many Americans believe in "manifest destiny," which proclaims the U.S. as the best nation with the most advanced social system, and thus destined to lead the world. They want to promote their democratic values all over the world—even through military force. They don't concern themselves with other nations' security, and they are used to participating in conflicts and affairs everywhere, which generally exacerbates matters.

Next is gunboat diplomacy. On May 25, the U.S. Navy released the final version of its Naval Operations Concept 2010, which explains how maritime forces will provide forward presence, deterrence, maritime security, sea control, power projection, and humanitarian assistance/disaster response. Whereas, the "forward presence" means the U.S. could push its security boundary to the doorstep of others - the Yellow Sea, South China Sea and so on; the so-called deterrence means the U.S. can act with military force. Maritime security means only its national security is crucial. Sea control means the U.S. must control all the important places in every ocean. Power projection

means it must project its power in war. Humanitarian assistance means the U.S. military should be humanitarian to Americans, but violent to other countries. This is also the reason why the U.S. military spends so much in the Iraq and Afghanistan wars.

Finally there is unilateralism. The Obama administration declared that they would separate themselves from Bush's unilateralism and pursue a smart-power policy. But judging by the U.S.-South Korean naval exercises, it seems it's more unilateral confrontation than any multilateral security cooperation, which displays not smart power but conveys brute power. Chinese people love peace and will proceed along the path of peaceful development. We do not want to be at odds with any country, but we will retaliate when we are offended. A country needs respect, and so does its military. If Americans know what democracy is, they should learn to respect other countries and solve problems with wisdom instead of gunboats.

The author is a Major General with Academy of Military Sciences.

(This article was first published in Chinese and translated by Lin Liyao.)

Source(s): 16 August
http://www.china.org.cn/opinion/2010-08/16/content_20718728.htm

China aims for formidable presence in Indian Ocean

As per a recent article, China is aiming at having a formidable naval presence in the Indian Ocean and is reflected in the country construction of ports in the region, an eminent US scholar said.

"The rise of China as a sea power is one of the biggest developments of the last one decade," said Robert Kaplan of the Center for a New American Security - a Washington-based think tank. "Why is China rising as a sea power? Because it has the luxury to do so, and it has the luxury to do so because it settled most of its land borders. It's at the high point of its land ascendancy," he told CNN in an interview.

He said the fact China becoming a sea power across all this area -- and India, too, is rising and becoming a sea power -- brings China and India into competition for the first time in their histories.



If China dominates East Asia, the marginal seas like the South China Sea and the East Sea, that makes it a great regional power. "But once China has a presence in the Indian Ocean, it becomes a great power," he said.

China is busy building ports in Chittagong in Bangladesh, Hambantota and Sri Lanka and Kyaukpyu in Burma. "Why are they doing this? To have military bases? No. The Chinese are far more subtle than that," he noted. "They want throughput, warehouse access for their goods, so that they can at some point have their own sea lines of communication between the hydrocarbon-rich Persian Gulf area and China itself.

"So, for China to protect its own shipments of energy and its commercial goods between the Middle East and Asia requires a presence, not a domination, on the Indian Ocean," Kaplan said.

Source(s): 30 August

<http://economictimes.indiatimes.com/news/politics/nation/China-aims-for-formidable-presence-in-Indian-Ocean-Expert/articleshow/6460531.cms>



Concerned about China's Rise, Southeast Asian Nations Build up Militaries

The nations of Southeast Asia are building up their militaries, buying submarines and jet fighters at a record pace and edging closer strategically to the United States as a hedge against China's rise and its claims to all of the South China Sea. Weapons acquisitions in the region almost doubled from 2005 to 2009 compared with the five preceding years, according to data released by the Stockholm International Peace Research Institute this year. "There is a threat perception among some of the countries in Southeast Asia," said Siemon Wezeman, senior fellow at the institute. "China is an issue there."

The buying spree is set to continue, with reports that Vietnam has agreed to pay \$2.4 billion for six Russian Kilo-class submarines and a dozen Su-30MKK jet fighters equipped for maritime warfare. This is in addition to Australia's stated commitment to buy or build nine more submarines and bolster its air force with 100 U.S.-built F-35s.



Malaysia has also paid more than \$1 billion for two diesel submarines from France, and Indonesia has recently announced that it, too, will acquire new submarines.

Concerns in Southeast Asia about China's rise were on display in Hanoi in mid-July during a regional security forum that included the Association of Southeast Asian Nations, the United States, China and other Asian powers. During the meeting, Secretary of State Hillary Rodham Clinton for the first time effectively rejected China's claims to sovereignty over the whole 1.3 million-square-mile sea. Eleven other nations, led by Vietnam, backed the United States, leaving Chinese foreign minister Yang Jiechi noticeably shaken by the offensive, diplomats present said. The U.S. and Southeast Asian countries push on China came in part because, U.S. and Asian officials said, China's behavior has turned more aggressive in the region.

China has converted several warships for use by its maritime services and dispatched them to the region. On June 23, an Indonesian naval craft was pushed out of waters claimed by Indonesia after a ship from the Chinese fishery administration -- one of the former warships -- trained a heavy machine gun on the Indonesian boat. Over the past year, China's maritime fleet has seized at least 22 Vietnamese fishing vessels, according to Vietnamese media reports. China has also unilaterally issued fishing bans for disputed waters.

On 5 August, Vietnam accused China of violating its sovereignty by conducting seismic exploration near disputed islands in the South China Sea. Vietnamese foreign ministry spokeswoman Nguyen Phuong Nga said Chinese vessels had been conducting seismic exploration activities since the end of May near an island in the Paracels, which Vietnam claims, as well as at oil and gas plots on its continental shelf. "Vietnam demands that China immediately cease and stop the recurrence of these violations of Vietnam's sovereignty," she said.

For years, experts have predicted that China's "soft power" and growing economy would allow it to dominate the region. But as China's diplomacy turned more aggressive, the region has defied those predictions and looked to Washington for help. "Rather than using the rise of China as a strategic counterweight to American primacy," concluded a report by Australia's Lowy Institute for International Policy this year, "most



countries in Asia seem to be quietly bandwagoning with the United States to balance against China's future power potential."

In 2009, when asked to choose a country that would be the greatest source of peace and stability in the region in 10 years, "strategic elites" in the region overwhelmingly choose the United States, according to a survey conducted by the Center for Strategic and International Studies in Washington. The country that posed the greatest threat to the region, the survey found, was not North Korea but China.

Experts generally agree that Vietnam's weapons acquisitions program is the most significant because it appears singularly focused on deterring China. In essence, Vietnam is attempting to make its coastal defenses strong enough so that China will think twice about pushing its claims. "Vietnam is spending a lot of money and focusing on the sea with submarines and fighters and even missiles," said Carl Thayer, a professor at the Australian Defence Force Academy.

Vietnam has reached out to a variety of partners. It has a strong relationship with India, one of China's main competitors in the region. Indian forces, which also deploy in Russian-built Kilo-class submarines, are believed to be training Vietnamese sailors for sub duty. But Vietnam is also growing increasingly close to the United States. U.S. and Vietnamese military and government officials meet regularly. There's talk of a strategic relationship. Senior meetings on formalizing a military relationship are expected this year. Trade between the nations is booming, up from \$2.91 billion in 2002 to \$15.4 billion in 2009.

After it participated in military exercises with South Korea in mid-July, the carrier USS George Washington was in Vietnamese waters last week, feting senior Vietnamese officials. China had criticized the United States for conducting military exercises with South Korea. Vietnam, however, welcomed the U.S. Navy. The United States is also moving to bolster Vietnam's nuclear power industry. According to congressional testimony in May by Vann H. Van Diepen, assistant secretary of state for international security and nonproliferation, the two countries signed a memorandum of understanding on civil nuclear cooperation in March. The two countries are also working on arrangements that would allow Vietnam to enrich its own uranium to generate

energy. In November, Vietnam's National Assembly approved construction of its first two nuclear power plants. It has plans to build eight to 10 more.

Source(s):9 August

John Pomfret.

http://www.washingtonpost.com/wp-dyn/content/article/2010/08/08/AR2010080802631_pf.html

Act Now on Terror Threat to Key Oil Routes, Say Experts

An attempt by terrorists to blow up a super tanker in one of the world's most strategic waterways, though unsuccessful, is prompting fresh calls for decision-makers to take steps now both to lessen the chances of such an attack and to minimize the economic disruption if one occur.

Maritime security experts say shipping companies should make their vessels less vulnerable to terrorists by adopting measures such as deploying visible armed protection. Nine days after the Japanese-owned *M. Star*, laden with 270,200 tons of crude oil reported an unexplained explosion while traversing the Persian Gulf's Strait of Hormuz, United Arab Emirates' authorities confirmed on Friday that the incident was a terror attack.

Shortly after the July 28 incident, governments on both sides of the Strait – Iran, Oman and the UAE – played down the shipping company's concerns, citing instead theories including damage from a large quake-induced wave, despite the fact no earthquake had been reported in the region.

But on Aug. 3, al-Qaeda terrorists posted on a militant Web site a claim of responsibility for the blast, identifying the apparent suicide bomber whom it said had carried out the attack on “an important economic lifeline” to avenge the theft of Muslim resources. The “Abdullah Azzam Brigades” derided the earthquake claims, saying they were an attempt to prevent oil price rises and to hide the fact security systems had failed. UAE officials then said that investigations had found traces of explosive on the dented hull of the 160,000-ton vessel, saying this indicated the likelihood of a small boat attack.

The Strait of Hormuz is less than 30 miles wide at its narrowest point, but the actual shipping lanes, one for tanker traffic in each direction, are just two miles across.

Up to 40 percent of tanker-shipped oil worldwide, some 17 million barrels of oil a day,



travels through the choke point. Some 3,600 miles to the southeast, another key waterway -- the narrow Strait of Malacca between Malaysia, Singapore and Indonesia -- carries one-third of the world's ship borne trade, including the bulk of oil shipments to China and Japan.

The prospect of either of these straits being shut to shipping has long worried economists, maritime security experts and governments. A closure in the Malacca Strait would require considerably longer routes south of the Indonesian archipelago (which is why China is eyeing options including a 750-mile pipeline across Burma and, possibly, ambitious plans to build a canal across southern Thailand.)

The alternative route for Persian Gulf oil would be the East-West pipeline across Saudi Arabia to the Red Sea, but the Department of Energy's Energy Information Administration notes that the pipeline has far less capacity than required, while the longer route would also push up costs. Severely disrupted shipping in either strait could cause panic in oil markets and push up insurance premiums prohibitively.

While piracy has historically been the main concern in Malacca, the post-9/11 era has heightened terrorism fears, with experts warning that the resulting disruption could have an enormous impact on the global economy.

Al-Qaeda has made no secret of its intentions in this regard -- and that it knows the potential consequences of such a strike. After suicide bombers in a small boat attacked the French oil tanker *Limburg* off the coast of Yemen in 2002 -- the blast killed a crewman and spilled 90,000 barrels of oil into the sea -- the network released a statement, attributed to Osama bin Laden.

In 2008 the Heritage Foundation carried out a comprehensive Normal exercise simulating terror attacks affecting oil shipments through Hormuz and Malacca. It found the impact on the U.S. economy would include a spike in gasoline prices -- almost doubling within days -- decreasing industrial output and a rapid slowdown in the U.S. economy, entailing a loss of some 1.5 million jobs in the first year. Although America imports less than 20 percent of its petroleum from the Middle East -- most comes from Canada, Mexico and Venezuela -- as the world's number one petroleum consumer the U.S. would be severely affected.



The study explored ways to mitigate the impact and restore confidence to markets and consumers. It highlighted the importance of relying on market forces – at a time when domestic constituencies will likely to press for greater centralized control of national assets. Maritime security firms say that ship owners should be doing more to make their vessels less likely targets for criminals, whether pirates or terrorists.

The lesson that needs to be learnt from the terrorist attack on the *USS Cole* – the bombing in Yemen’s Aden port in 2000 killed 17 sailors on the U.S. Navy destroyer – and one that applied equally to super tankers, cargo vessels or cruise ships, is that *‘allowing small vessels alongside carries significant risks’*.

Source(s): 10 August
Patrick Goodenough
<http://www.cnsnews.com/news/article/70793>

Russian Navy will build a new generation of aircraft carrier

The Russian Federation naval commander-in-chief, Admiral of the Fleet Vladimir Kuroedov, has announced plans for introducing a new aircraft carrier into the combat fleet by 2017. A draft of the new aircraft carrier will be developed by 2010, and by 2016 - 2017 it will enter the Northern Fleet.

Moreover, the construction of another aircraft carrying cruiser has been planned, but for the Pacific Ocean Fleet. In 3 years, there also will be a new multirole airplane developed for carrier-based ((PALUBNAYA)) aviation.

Source(s): 11 August
<http://www.global-military.com/russian-navy-will-build-a-new-generation-of-aircraft-carrier.html>

The Caspian Sea: China’s Silk Road Strategy Converges with Damascus

The Caspian region is becoming enmeshed in a web of overlapping political, military, trade and energy interests of countries extending from Asia, to the Middle East, to Russia, to Europe. Given the rising instability of Middle East energy supplies, the Caspian basin has emerged in prominence as an alternative resource for the world’s growing energy consumers. It is estimated that the Caspian Sea is home to the world’s largest reservoir for oil and natural gas after the Persian Gulf and Russia. Historically, Russia had a monopoly of influence in the region during the Soviet era, but after 1991

the United States began making inroads into the region to reduce Russia's influence over the newly formed independent states. In recent years, both China and the European Union have stepped up their presence and have become active players in the region. Other new players albeit smaller but with increasing footprints include countries such as India, Japan and South Korea. Of the various players, China has the fastest growing presence in the region—driven by its voracious energy appetite but also enabled by the Shanghai Cooperation Organization (SCO) framework. As China embarks on its “look west” development Silk Road Strategy, Syria's “look east” policy appears to be converging with Chinese interests at the Caspian Sea. The interplay of China's growing footprint in the Caspian region via its modern Silk Road—reinforced by Syrian President Assad's nascent “Four Seas Strategy”—will have important implications for the United States, the European Union and other allies.

Source(s): 19 August.

[http://www.jamestown.org/programs/chinabrief/single/?tx_ttnews\[tt_news\]=36771&tx_ttnews\[backPid\]=25&cHash=d1ea35529d](http://www.jamestown.org/programs/chinabrief/single/?tx_ttnews[tt_news]=36771&tx_ttnews[backPid]=25&cHash=d1ea35529d)

China's Water Grab

The United States' recent assertive steps in the South China Sea are being anxiously watched by Beijing. Secretary of State Hillary Clinton made an explicit move away from the US Administration's usually conciliatory tone when she declared in late July 2010 that it would be in America's "national interest" to help mediate the disputes among China and several other Asian countries over islands and maritime rights in the sea.

Then on July 22, Defense Secretary Robert Gates announced that the United States would resume ties with Indonesian Special Forces after a 12-year hiatus, with the aim of eventually restoring full military-to-military relations. He also confirmed other collaboration with China's maritime rivals, including a series of multilateral military training exercises in Cambodia, joint U.S.-Vietnam naval exercises, and serious discussions with Hanoi on sharing nuclear fuel.

It's clear that the United States is truly "back in Asia," as Clinton promised in January. But another, subtler regional push, one that's flown under the radar in Washington, has an even greater capacity to upset Beijing: America's interference in the Mekong River region. Clinton recently met with the foreign ministers of Cambodia, Laos,



Thailand, and Vietnam and pledged \$187 million to support the Lower Mekong Initiative, which has the stated aim of improving education, health, infrastructure, and the environment in the region. It doesn't have the same firepower as military training exercises -- but privately, several Chinese Ministry of National Defense officials have told me that they believe this new, softer approach in the Mekong has the potential to achieve something that all the naval partnerships in the world cannot.

The 2,700-mile-long Mekong River begins on the Tibetan plateau and runs from Yunnan province in China through Burma, Laos, Thailand, Cambodia, and Vietnam. China has built three hydroelectric dams on its stretch of the Mekong (called Lancang in China) and will complete a fourth dam in 2012. At the moment, water levels of the lower Mekong are at record lows, threatening the livelihood of an estimated 70 million people in the countries south of China, where subsistence agriculture supports a large majority of the population. These countries blame Beijing for damming up water to benefit Chinese citizens while people downstream are starving.

There is no conclusive proof that the Chinese dams and water policies are responsible for the low water levels downstream, but Beijing's refusal to allow extensive inspection of its activities in the Lancang -- as well as its disdainful attitude toward the smaller complainants -- hasn't reassured the smaller countries that they're being treated fairly. They fear a future in which their access to water will be controlled by China's Ministry of Water Resources.

Beijing can be disdainful and bullying toward smaller countries when it comes to its own interests, as observers of Mekong River politics will confirm. But China's approach in much of Asia is basically a hearts-and-minds one. It is a major distributor of cheap, no-strings-attached loans to other Asian governments, especially to those countries, such as the Philippines and Thailand that are occasionally drifting away from Washington's embrace. Its diplomats are the most numerous and hardworking in all of Asia, spreading a form of regionalist "Asian values" that is specifically designed to exclude American influence. Political officials and strategists in Beijing increasingly talk about a bottom-up approach to regional supremacy, using economic and cultural arguments to persuade Asian elites that Chinese leadership is the sure and benign path to regional prosperity in the future -- not American partnership.



Because of this, Washington's willingness to get involved in the Mekong River dispute could create an almost perfect counterweight to China's strategy among the tens of millions of people dependent on the river for sustenance. Political elites in almost every Asian country (exceptions include North Korea and Burma) are predisposed to prefer American power over China. However, these days people are increasingly wondering what's in it for them. While there have been over 40 bilateral and multilateral free trade agreements signed between Asian states, including a China-ASEAN pact that was activated this year, America has concluded and ratified only one, with Singapore. This is why America's ability to keep Beijing in check over the Mekong River could remind millions of ordinary Asians that U.S. primacy in the region still matters, that American diplomatic clout and military presence has maintained the peace in Asia and kept vital sea lanes safe and open for commerce for decades.

Former U.S. Deputy Secretary of State Richard Armitage often counseled that "getting China right means getting Asia right." Strengthening alliances with countries such as Japan, South Korea, and Australia is still the most important part of this strategy. Establishing new security partnerships with countries such as India, Vietnam, and Indonesia is also critical. But economic development and future prosperity is the region's top priority. For the tens of millions of Asians in these countries that depend on the Mekong River for their survival and livelihood, nothing matters more than a policy that addresses water rights.

It is still too early to say whether Barack Obama's administration will pursue wholeheartedly its newfound interests in the Mekong. But lending America's weight to local "bread and butter" issues is a clever way for Washington to win millions of new friends in the region -- and keep one very eager competitor at bay.

Source(s): 24 August

http://www.foreignpolicy.com/articles/2010/08/23/chinas_water_grab?page=0,0

China succumbs to Mekong nations

China has started to share information about its Mekong River dams with Vietnam, Laos, Cambodia and Thailand. The countries have complained that the dams have affected water flows, and are disturbing fish migrations and populations. China has



made a significant policy about-turn in response to a sharp contest with the United States for friends and influence in Southeast Asia. After years of rebuffing increasingly anxious requests for information about its dams on the upper reaches of the Mekong River from countries lower down the river's course, Beijing has relented.

China's change of tack comes as Washington is moving to broaden its non-military engagement with Indochina. Dozens of U.S. officials have been shuttling back and forth to the region promoting cooperative agreements since July last year when Secretary of State Hillary Clinton launched what is known as the Lower Mekong Initiative.

The aim is to take advantage of China's less than stellar reputation in Southeast Asia by offering development aid and assistance to Vietnam, Cambodia, Thailand and Laos for whom the lower reaches of the Mekong River are a vital economic resource. At the same time, the U.S. has signed the Treaty of Amity and Cooperation with the 10-nation club of regional countries, the Association of Southeast Asian Nations. This treaty affirms U.S. commitment to regional peace, stability and involvement in ASEAN processes and institutions.

China is very much aware it has a public relations problem in Southeast Asia, in part because of its belligerent military activities and outlandish territorial claims in the South China Sea. But for the countries through which the Mekong River flows much suspicion of China stems from its secrecy over its dam-building projects on its stretches of the 4,880 kilometre-long river, which it calls the Lancang.

In recent months there has been a crescendo in the always intense public criticism in the region claiming China's four dams on the upper Mekong are affecting water flows, disturbing fish migrations and populations, and are threatening the livelihoods of up to 70 million people. But in June, China shifted policy and officials from the Mekong River Commission (MRC), created by a 1995 agreement between Vietnam, Laos, Cambodia and Thailand, were invited to China's Yunnan province to look at two of the four dams. They are reported to have received detailed information about the operation of the dams and their effects on river flows. The dams were the Jing Hong, already in operation, and the massive Xiaowan, one of the world's tallest dams whose

reservoir will take up to 10 years to fill and which will hold 15 billion cubic metres of water, more than five times the capacity of the other three Yunnan dams put together. China also invited the MRC to send officials to Beijing to discuss how China might play a fuller role in the commission's activities. China and Burma, which its ruling military regime calls Myanmar, have always kept at arm's length from the MRC.

Like all autocratic regimes, they try to avoid exposing their internal affairs to any outside scrutiny or influence, and have therefore only taken "dialogue partner" status with the commission. China has, until now, been equally unforthcoming about sharing information with the MRC. MRC officials have usually only learned when decisions have been made and ground broken about Beijing's dam-building plans on the 44 per cent of the Mekong than runs through Chinese territory after rising in the mountains of Tibet. And China has plans for at least another four dams on the Mekong to generate electricity and control floods. Information about management of the completed dams has been equally hard to come by with China only recently giving detailed information about the wet season flows of water.

Now, apparently, China has indicated it will give information about the dry season flows too. If China continues to openly share information about its dams and the life of the Mekong in its territory, it will do much to clear up a lot of disagreements and conflicting analysis about what is happening to the Mekong, which does not seem to be functioning as it has in past decades. Most concerning are low water levels and their effects on such natural wonders as the Tonle Sap, the great lake in central Cambodia usually filled to overflowing every year by waters from the Mekong during the rainy season.

Fish from the Tonle Sap not only provide an incredible 80 per cent of the protein in the diet of Cambodia's 15 million people, the lake also acts as reservoir that feeds water back into the Mekong during the dry season and allows year-round cultivation and cropping in the delta region of Vietnam. But the low volumes of water in recent years have frequently been blamed on China stemming the flow of the Mekong to fill the dam reservoirs feeding its hydroelectric schemes.

But MRC experts such as chief executive Jeremy Bird doubt this is so. He says he thinks prolonged drought in Southeast Asia is the most likely cause. Australian

author, historian and consultant on southeast Asian affairs, Milton Osborne, says the way the Chinese have tried to defend themselves against the charges by using misleading statements and information has damaged Beijing's cause. Osborne points to China's regular response that it can't be held responsible for what happens on the lower Mekong, because only about 13 per cent of the water in the river at that point comes from China. This, Osborne says, is nonsense because during the dry season, when the effects on features such as the Tonle Sap are most profound, at least 40 per cent of the water in the Mekong comes from China.

Source(s): 30 August

<http://www.vancouversun.com/news/China+succumbs+Mekong+nations/3461842/story.html>

China military risks treading on policy toes

China's military, emboldened and ambitious for respect, risks steering a course that jars with the country's foreign policy soft-sell, raising the risk of confusion and blunders in a region already wary of its expanding reach. People's Liberation Army officers have loudly warned that national interests are threatened by neighbors' rival claims in the South China Sea, and decried planned U.S.-South Korean drills in the Yellow Sea, between Korea and China.

"A country needs respect, and a military also needs respect," wrote Major General Luo Yuan in the PLA's paper. Stressing the point, the PLA navy will hold artillery exercises on the Yellow Sea from Wednesday. Beneath that public assertiveness, lie questions about evolving Chinese civil-military relations, a murky area with broader implications for foreign policy, especially in Asia.

The Chinese military remains firmly subordinated to the ruling Communist Party, but it has grown less finely meshed with civilian leaders, and that matters for coordinating and communicating policy, especially under pressure. "Civil-military relations in China are very different from the old days. There used to be a symbiosis. Now they are more distinct spheres," said Nan Li, a professor at the U.S. Naval War



College on Rhode Island, who specializes in the PLA. "Inter-agency coordination is a big problem," he said. With China exploring how to use its fast-expanding military, such internal uncertainties could have consequences in the region, where the U.S. keeps a big military presence.

"It clearly has tremendous implications for real policy choices both in Beijing and abroad," David Finkelstein, an expert on the Chinese military at CNA, an institute in Virginia that studies security issues, said of PLA-civilian ties. "China's global security interests have expanded faster than the capacity of its traditional bureaucratic institutions to handle them," he said. Lobbying or wrong-footing among civil and military players could make Chinese policy-making even less like a tightly-rehearsed orchestra, and more like a band with members competing for attention, risking miscues or confusion. One PLA strategist recently warned as much. "With no concrete leadership for national security, when many departments become involved, coordination is difficult, responses tend to be tardy, counter-measures lack focus, and constantly problems emerge in certain links among the institutions dealing with matters," the strategist, retired Rear Admiral Yang Yi, wrote in a study published late last year.

The PLA has received two decades of annual rises in its official budget that average out at a 12.9 percent increase every year. That rise has made it more powerful, and more impatient with foreign pressure, said PLA Senior Colonel Liu Mingfu. "In the past, the focus was on economic development and our (PLA) budget was low and we were marginalized. But now it's very different. We understand that a prosperous country needs a strong military," he told Reuters earlier this year.

In June, the U.S. Defense Secretary Robert Gates took on what he saw as PLA pushiness. He claimed it was thwarting efforts to improve military ties, going against Chinese government efforts to ease tensions.

Gates' complaint came after vehement criticism of Washington by PLA officers, and Beijing's rejection of Gates' hopes to visit and revive military ties put on hold by China over U.S. weapons sales to Taiwan, the self-ruled island that China claims. PLA officer-commentators have recently renewed tough words aimed at Washington. These public growls appear aimed at a domestic audience hungry for a strong voice, said Li, the analyst from the U.S. naval college.



But by creating public and elite expectations that China will stand tough, such talk may narrow room for quiet back-downs or sow uncertainty abroad about who is steering policy in Beijing. "Compared to the past, the influence or constraining role of Chinese public opinion on Chinese foreign policy is striking," Wang Wen, a senior commentator at the Global Times, an often ardently nationalist newspaper..

In Zhongnanhai, the Chinese Communist Party's walled compound where big decisions are made, the real problem may be ill-coordination, not disloyalty or outright division.

The Party demands unswerving military loyalty, especially to the top leader, currently Hu Jintao, who is also chairman of the Central Military Affairs Commission, the top body on PLA affairs. "The PLA is still the Party's army. They're not running a rogue foreign policy," said Finkelstein, the CNA analyst. But under the canopy of Party-PLA unity, an "experience gap" has emerged, said Finkelstein.

Since the passing of China's revolutionary elders Mao Zedong and Deng Xiaoping, both deeply involved in military command, Chinese leaders have had little to do with the PLA until they reach the cusp of top power. In turn, PLA commanders are more focused on external priorities.

The naval analyst Li said an examples of the trouble that can create was China's anti-satellite test in 2007, when the foreign ministry appeared ill-prepared for the test, which created international worry over space debris and Beijing's space plans.

By saying that the South China Sea is also an area of "core national interest" for China, the country's policy-makers have also risked their credibility, because their navy is not strong enough to enforce control of the sea, said Li. "By elevating it to a core national interest without the means to defend it, China's deterrence is weakened," he said.

Sri Lankan Defence Secretary Gotabaya Rajapaksa Urges Heightened Maritime Security to Combat Global Terrorism

Sri Lankan Defense Secretary Gotabaya Rajapaksa has advocated greater international cooperation on maritime security to combat the threat posed by global terrorists like the



Liberation Tamil Tigers of Eelam (LTTE) who's financial, logistical and supply chain networks operate with impunity on the high seas because of lax enforcement and outmoded legal systems. "Countries must realize that with the increasing sophistication displayed by non-state actors in this era, the first line of defense is shifting beyond the shore," Mr. Rajapaksa stated.

Only multilateral efforts will halt the scourge of terrorism. "Robust ties need to be established between the maritime powers in the region; not just at the diplomatic level but even more importantly at the operational level," Mr. Rajapaksa declared at the inaugural session of the Galle Dialogue Maritime Conference in Sri Lanka. "Ineffective treaties extolling cooperation and token joint naval exercises are no longer enough," Mr. Rajapaksa said. "There has to be a deep-rooted commitment to cooperation among these powers. Proper intelligence sharing and timely communication between the navies is essential," he added.

The defense secretary recalled how the LTTE navigated the seas to wage terrorist operations. Over the course of the decades-long war, the LTTE was able to procure and transport sophisticated weaponry including artillery, mortars, rocket launchers and anti-aircraft systems over international waters and into Sri Lanka without much difficulty, Mr. Rajapaksa said. "It is vitally important that all maritime nations realize the threats they face from the sea," he told conference attendees.

Mr. Rajapaksa recalled Sri Lanka's successful struggle to achieve a military victory over the LTTE, a globally recognized terrorist organization that wreaked havoc on the island. However, the LTTE's international network remains "largely intact" and still capable of terror on the high seas, he said.

Mr. Rajapaksa concluded his remarks by urging the delegates at the conference to continue the important dialogue on maritime security and to promote a greater and more effective cooperative security network in the region.

Source(s): 28 August

<http://www.prnewswire.com/news-releases/sri-lankan-defense-secretary-gotabaya-rajapaksa-urges-heightened-maritime-security-to-combat-global-terrorism-101668483.html>

SHIPBUILDING

China's shipbuilding industry leads the world

China leads the world in shipbuilding, according to the latest statistics released on the official Web site of the China Association of the National Shipbuilding Industry. In the first half of 2010, China's shipbuilding capacity, the number of new orders and the volume of backlog orders accounted for about 41 percent, 46 percent and 38 percent of the world market, respectively. China's shipbuilding enterprises completed and exported 24.3 million deadweight tons, accounting for 82 percent of the total shipbuilding capacity, and the volume of new overseas orders reached about 16.4 million deadweight tons, accounting for 69 percent of the total volume of new orders.

The analysis report of the China Association of the National Shipbuilding Industry reveals that in the first half of 2010, China's shipbuilding industry has maintained rapid development by overcoming difficulties resulting from the global financial crisis, such as obtaining orders and delivering ships. Shipbuilding capacity and the volume of new orders have risen remarkably; the major economic indicators have maintained double-digit growth and the overall economy have performed well.

China's shipbuilding industrial output value, ship exports and enterprise profits kept rising in the first half of 2010. According to the statistics from the Economic Operation Department of the China State Shipbuilding Corporation, in the first half of 2010, among the shipbuilding, facilities, ship repair and non-vessel business segments of China State Shipbuilding Corporation, the share of shipbuilding and facilities have both risen, and the shipbuilding output value accounts for nearly 82 percent of the industrial output value, up by nearly 4 percent compared to the same period of last year.

Source(s): 13 August

<http://english.peopledaily.com.cn/90001/90778/90860/7104229.html>

MARITIME ENVIRONMENT



Oil spill in Mumbai contained, but cleaning will take time

The oil spill in Mumbai is under control but salvage operations off the coast are expected to last a month, according to the Maharashtra Environment Minister Suresh Shetty. A team of experts from Singapore arrived to assist in the operations, which are primarily conducted by the Singapore-based company Smit Salvage. Owing to bad weather conditions, the work is expected to effectively start by the end of August.

“Only two tanks of the vessel MSC Chitra have been reported to be damaged post collision,” the Indian Coast Guard (ICG) said. The challenge before the Jawaharlal Nehru Port Trust (JNPT) and the Mumbai Port Trust (MbPT) is clearing the waters of containers which had sunk or were afloat. The plan is to shift the containers to a reserved area at the JNPT.

While the ICG announced that containers of hazardous material were unaffected, there is no confirmation if any of the chemicals had leaked out into the sea. A senior NPT official said 31 containers carried sodium hydroxide and phosphorus pesticides, among other hazardous material. If the spread of oil reached the coast or the mangroves, the administration would have to take measures to physically clean it in a time-bound manner. The Panama-registered shipping companies, he added, would be liable for the losses and the environmental damage, even though an assessment is yet to be made. An alert on oil pollution has been issued to Mumbai, Thane, Navi Mumbai and Raigad. Captains Ranjit Martin and Laxman Dubey of MSC Chitra and MV Khalijia III have been booked for negligent navigation leading to environmental degradation.

The Coast Guard has alerted all the industries along the coast to monitor the quality of sea water used for industrial purposes. R.K. Sharma, head media relations and public awareness, Bhabha Atomic Research Centre (BARC) said BARC is only one of the agencies which have received this advice and it is not specifically targeted at BARC. The quality of water which was taken up for cooling the research reactors was being monitored physically and scientifically and till now there is no problem. BARC said a decision will be taken if necessary to stop using the sea water later but the current

situation did not warrant any such step. In any case, Mr. Sharma added that BARC uses water from a depth of over a metre and oil contamination was principally on the surface of the sea.

Containers wash up

Oil and debris has already washed up in many parts of the shoreline and at Uran, local people were surprised to see giant containers on their beach. While not much fishing happens during the monsoon, there is a ban on taking out small boats in the entire harbour area and people have been advised not to eat sea food for a few days.

Multiple Coast Guard helicopters, fixed wing aircraft, and six ships (Sankalp, Sangram, Amrit Kaur, Subhadra Kumari Chauhan, Kamla Devi and C-145) combated the oil spill since dawn.

Source(s): 10 August
<http://www.hindu.com/2010/08/10/stories/2010081062841300.htm>



Beijing proposes maritime measures

China has proposed to Japan specific measures aimed at building a maritime communication system between defence officials of the two governments to prevent accidental clashes in the East China Sea and other waters, sources with the Japanese and Chinese governments said. The measures include holding an annual meeting between the two countries to review events of the past year and setting up a hot line between Japanese and Chinese defence officials.

Tokyo, taking Beijing's move positively, is hoping to accelerate bilateral talks with a view to reaching agreement on the measures by the end of this year. The Chinese navy's growing outer sea capabilities have led to frequent cases of maritime friction between Japan and China in the East China Sea. But there are differences to be overcome, such as Tokyo's call for the hot line to be set up between the defence

ministers, whereas Beijing considers such a level too high to respond promptly to emergencies, the sources said.

Difficulties are also expected in bilateral negotiations because China may be attempting through the proposed measures to put the brakes on Japan's monitoring activities in the waters concerned. The proposed measures also include holding a conference to discuss ways to deal with emergency situations and sharing of frequencies and signals used by ships and airplanes in times of emergency.

The two sides have basically agreed on sharing frequencies, and Japan is positively considering the annual meetings as well as the conference, according to the sources. The next working group meeting is scheduled to take place in Beijing.

While both Japan and China believe it necessary to build a system to prevent a clash between their countries, Tokyo intends to reject any measure that would lead to restrictions on its surveillance and monitoring activities at sea.

The joint working group meeting of defence officials was launched in April 2008 based on an agreement a year earlier by then Prime Minister Shinzo Abe and Chinese Premier Wen Jiabao, but it was effectively suspended after the first meeting. The second meeting was realized on July 26 after the Japanese government urged China to resume the working group talks following an incident in April in which a Chinese navy helicopter buzzed a Maritime Self-Defence Force destroyer in the East China Sea.

Source(s): 15 August
<http://search.japantimes.co.jp/cgi-bin/nn20100815a2.html>

Sri Lanka Launches New Port Built With Chinese Assistance

Sri Lanka has opened a new port built with Chinese assistance. It is one of the biggest infrastructure projects in the country, which is rebuilding new roads, railways, and ports following the end of a long civil conflict in the country. The \$1.5 billion deep sea port at Hambantota is located in the Indian Ocean along one of the world's busiest shipping lanes.



The government hopes to get business from some of the 70,000 ships that ply this route every year. The port has four terminals, and will handle up to 2,500 ships annually in the first phase. The first ships are expected to berth at the port in November.

Sri Lankan authorities say Hambantota will set the country on the path of economic recovery after a three-decade long civil war, and help the island nation emerge as a regional trading hub.

Deshal Demel, an economist with Colombo's Institute of Policy Studies, says Sri Lanka's geographical location midway between "East and West" is a huge advantage, so ships that are travelling from the eastern part of the world i.e. Japan, Korea and China, to the West (America and Europe) would find Sri Lanka to be a useful stoppage point in terms of refuelling and any other services. China has loaned \$425 million to build the first phase of the Hambantota port, and is closely involved with its construction.

That has raised some concern in India. Strategic analysts in New Delhi worry that China is expanding its influence in the South Asian region, and is surrounding India with a so-called "string of pearls" or a network of ports that could pose a potential security concern. China is also building port facilities in Pakistan, Burma, and Bangladesh.

Sri Lankan authorities dismiss such concerns, saying that China's involvement in the project is purely commercial. The port is part of Sri Lanka's effort to rebuild its infrastructure after its civil war ended in 2009.

Sri Lankan authorities say these projects, which are expected to cost up to \$6 billion, will transform the nation's economy.

Source(s): 20 August

<http://www.voanews.com/english/news/asia/Sri-Lanka-Launches-New-Port-Built-With-Chinese-Assistance-101151769.html>



Dhaka to upgrade its second largest port

Bangladesh plans to upgrade Mongla, its second largest port, and to build a third sea port at Kuakata. The twin moves are aimed at providing greater sea access to neighbours India, Nepal and Bhutan.

A memorandum of understanding - has already been signed with David Wignal Associate, a Singapore-based private company. The upgradation of Mongla port to international standards could cost \$3 billion, Mongla port authority chairman Commodore M. Faruk told United News of Bangladesh - news agency.

The project includes construction of international standard jetty, a power generation plant and a water treatment plant, industrial park and container terminal. It will ensure utilisation of port through transit trade with India, China, Nepal and Bhutan. As per the agreement, all development work is scheduled to be completed by 2030. The government has simultaneously started the groundwork for the country's third seaport at Kuakata to facilitate India, Nepal and Bhutan to transit goods.

Kuakata is currently a sea resort and tourist destination in Patuakhali district. It is located 320 km south of the national capital. A technical committee that visited Kuakata in July and recommended the site for a port submitted its report to the shipping ministry. Shipping Minister Shahjahan Khan said everything will be finalised based on the technical report and added: 'It'll be a small port initially'. A seaport in Kuakata, he said, would make movement of goods more convenient than through the ports at Chittagong and Mongla. Chittagong, Bangladesh's prime seaport, handles about 90 percent of the maritime export-import trade with an average 10 percent yearly growth. The Mongla port handles the rest 10 percent of the trade.

Source(s): 16 August
<http://www.nerve.in/news:253500332396>

Indian Shipping ministry to award 25 port projects under PPP this fiscal

The Shipping Ministry of India will award 25 port projects under the Public Private Partnership (PPP) scheme during the current financial year, a senior government official said. The ministry is also expecting investments from Singapore, Dubai and other Gulf countries.

"We would award 25 PPP port projects in the current fiscal. The collective value of these contracts would be around Rs 20,000-crore. So far, five projects have been awarded to the developers," Shipping Secretary, K Mohandas, said in Mumbai without divulging any financial details of the contracts.

Besides, the ministry is also expecting investments from countries like Singapore, Dubai and other Gulf countries. Two of these projects at Paradip and Ennore near Chennai have already been awarded to Sterlite-Leighton and Eredene Capital consortium respectively.

These projects also include creation of mega container terminal or bulk transshipment at Chennai Port, New Mangalore Port and conversion of berth for container terminal at Tuticorin port.

These 25 PPP projects also include development and operation of two berths at Indira dock as dry bulk cargo terminal in Mumbai Port and development and operation of a dry commercial cargo at Mumbai Port. According to Mohandas, these projects are expected to enhance capacity at the centrally-regulated 12 ports by 46 per cent.

Source: 17 August

<http://economictimes.indiatimes.com/news/news-by-industry/transportation/shipping-/-transport/Shipping-ministry-to-award-25-port-projects-under-PPP-this-fiscal/articleshow/6320010.cms>