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Indian Ports to Face Challenging Year Ahead, Says Report

For a majority of Indian ports 2009-10 is going to be yet another challenging year, much like 2008-09. And if the situation continues the way it is, the cargo volumes anticipated in the XI Plan estimates may not materialise by 2011-12. These are the findings of ICRA, a leading credit rating agency, in its recent report on 'Challenges in Private Sector Participation in Port Projects'.

"Fiscal 2009-10 will be another challenging year for domestic ports ..., because of the continuing slowdown being experienced by key end-user industries, especially the steel sector, although there have been some improvements of late. Consequently, ports with their cargo mix showing concentration of iron ore, coking coal and coke could see muted growth (in cargo)," the report said. "A few private sector ports could nonetheless achieve higher growth on the strength of their superior infrastructure and gain of market share from Major Ports nearby," it added.

Given the uncertainties in the near term, it noted, missing the 11th plan cargo figures could mean significant overcapacity in case all the proposed projects come up. More importantly, ICRA believes that the actual capacity addition will be lower than anticipated because of the likely delays in the awarding of projects under National Maritime Development Programme (NMDP), in attaining financial closure by private sector players, and in project execution. Talking about the port privatization programme, the report said that private participation in the Indian port sector has been on the increase during the past decade, thanks to the initiatives of central and state governments.

Despite the near-term challenges, it expects the outlook to be favourable for cargo in the medium to long term for domestic ports. The key drivers for growth will be the commissioning of power projects based on imported coal, expansion of refinery capacity, setting up of steel projects, imports of raw materials and fertilizers, increase in containerisation, and offshore E&P projects.

Source(s): The Economic Times, Sept 7, 2009.

<http://economictimes.indiatimes.com/News/News-By-Industry/Transportation/Indian-ports-to-face-challenging-year-ahead-says-report/articleshow/4979752.cms>

Orissa Plans Deep Sea Port at Palur

The Orissa government has decided to construct a deep-sea port at Palur off Ganjam coast, about 50 km from Bhrampur near Kolkota. The port would be developed in association with the private players. Sanjib Sahu, the state commerce and transport minister and several other high-level officers of the state government recently visited Palur after several private companies evinced their interest in developing a port at that location. Several private companies have shown their interest to construct a deep-sea port at Palur" the minister said.

It may be noted that Orissa has identified 13 potential locations including Palur along its 480-km long coastline for the construction of the deep-sea ports. The state government is keen on developing these ports jointly with the private players. The potential port locations are Gopalpur, Bahuda river mouth, Sonepur and Palur in Ganjam district, Baliharichandi and Astaranga in Puri district, Jatadhari Muhan in Jagatsinghpur district and Barunei Muhan in Kendrapara district. The other port locations identified in the state are Dhamara and Chudamani in Bhadrak district as well as Inchudi, Chandipur, Bahabalapur and Subarnarekha in Balasore district.

These port sites have been identified by the Indian Institute of Technology (IIT), Chennai. "When developed these new ports will play a major role in the economic development of the state", said Sahu. He pointed out that Gujarat is developed because of its ports and as many as 46 ports are now functioning in that state.

Source(s): The Business Standard, Sept 8, 2009

<http://www.business-standard.com/india/news/state-plans-deep-sea-port-at-palur/369357/>

Hambantota Project 'Can Spearhead' Developments

Sri Lanka's Hambantota Port project will boost the regional economy through increased trade and job creation, reports said. The project, which includes the construction of a sea port, an airport, highways and ancillary facilities, will see the region's population swell, Sri Lanka's Daily News reported. Phase one of the Hambantota Port project started in 2008 and is scheduled to be finished by 2010. The first ship should enter the port in early part of 2011 and the project's bunkering terminal is expected to be operating in the first quarter of 2011.



The \$360 million first phase of the bunkering terminal project will have an initial capacity for 100,000 metric tonnes (mt). The Chinese government is funding 85% of total development cost of \$76.5 million for the bunkering terminal with the remaining 15% coming from the Sri Lanka Ports Authority (SLPA). Engineers working on the Hambantota Port project expect that many of the ships that currently pass Hambantota, on their way to Singapore and Indian ports for bunkering, garbage clearing and for maintenance, will use the Sri Lankan port instead. A dam will be built around the port to prevent suburban areas from flooding and there will be a sea wall of interlocking concrete blocks to protect the port from high seas and tidal waves. The entire port project consists of four stages and is expected to be fully completed in 15 years following the 2007 start.

Source(s): Port World, Sept 22, 2009

http://www.portworld.com/news/i88479/Hambantota_project_can_spearhead_developments

New Silk Route Says Indian Ports "Most Promising"

Asia-focused private-equity firm New Silk Route is looking to raise funds and believes India's ports are an attractive investment, a top official said. India, which has 12 major ports, will build 50 new ones over the next five years as it looks to reduce congestion. "Not only ports but also in the ancillary services that go into making a port. It's the most promising investment in India," said Darius Pandole, who focuses on private equity opportunities in the Indian sub-continent for New Silk Route, which manages \$1.4 billion. Ancillary services include freight transport to and from ports and warehousing.

India's major ports handle three-quarters of the country's annual traffic of 723 million tonnes. The rest is handled at 200 smaller ports. Reliance Industries and Larsen & Toubro plan to invest in ports, while JSW Group, which runs JSW Steel, recently unveiled a new port on India's western coast. "About 90 percent of trade in India goes through the sea. We need more ports, more containers, more investments... on the east coast, on the west coast," Pandole, who joined U.S.-based New Silk Route at its inception in February 2007, told Reuters at an offshore oil and gas exploration and shipping conference. With its strategic location straddling major trade routes and a long coastline that boasts a port every 20 miles (32 km), India's port sector was expected to be a major driver of trade and economic progress, but has not managed to deliver so far.

When trade was at its peak in the past two or three years, ships at India's largest container port, Jawaharlal Nehru Port Trust (JNPT), had to wait for up to 10 days to load and unload, compared with about a half a day in Singapore. Power generation and transmission and distribution are also attractive to New Silk Route, Pandole said. The firm's investments in India include financial services company Dawnay Day AV, media and entertainment firm INX Media Pvt Ltd and telecom infrastructure provider Reliance Infratel. India's power infrastructure remains woefully inadequate, with businesses large and small forced to self-generate power in order to ensure supply. Regulatory hurdles, difficulties with land acquisition and red tape have curbed development of infrastructure in the world's second-most populous country, but Pandole said they are easing. "Government regulations will ease because they have to. There is no way out. We have to upgrade our roads, our ports, airports, railways... no choice," he said

Source(s): India Business Times, Sept 24, 2009.

<http://www.ibtimes.co.in/articles/20090924/silk-route-says-indian-ports-most-promising.htm>

SHIPBUILDING

Shipbuilding Industry Far from Recovery

China's shipbuilding industry, which ranks second in the world in terms of tonnage and number of vessels built, will continue to struggle due to the global recession, even if new orders increase in the second half of this year, said experts at a forum held in Beijing on September 2. China's shipbuilding industry has deteriorated since last September as new orders shrank and vessel prices dropped, said Wang Rong, an official at the Ministry of Industry and Information Technology (MIIT). The country's shipbuilders received 7.87 million deadweight tons (DWT) of new orders in the first seven months of the year, a decrease of 78 percent year-on-year, according to statistics from the MITT.

Meanwhile, orders of 75 vessels, or 3.88 DWT, were canceled during the same period, about 2 percent of the industry's total current orders as of the end of July, said the ministry. The price of vessels also plunged due to declining demand of new ships, said Wang Wenjun, deputy director of the Economic Research Center within China State Shipbuilding Corporation (CSSC). The average price of ships has dropped more than 20 percent during the past year. For example, the price of a Very Large Crude Carrier was 114 million yuan (\$16.69 million) in August, down 24 percent

compared with a year earlier. The price of bulk carriers with a loading capacity of 80,000 tons decreased by 28 percent, and the price of container ships dropped by 35 percent.

Wang said the domestic shipbuilding industry also faces problems such as financing difficulties and overcapacity. The shipbuilding industry has developed very quickly over the past three years, reaching a production capacity of 66 million tons, a number that is expected to rise to 80-90 million tons in 2010, said Huang Pingtao, Chairman of the Chinese Society of Naval Architects and Marine Engineers. CSSC, one of the largest shipbuilders in the country, reached a production capacity of 54 million tons in 2008, making up 8.7 percent of total global shipbuilding capacity. The government has been proactive in addressing the industries problems.

"A stimulus plan issued February by the State Council for the shipping industry will help Chinese shipbuilding companies recover from the downturn more quickly," said Huang of Chinese Society of Naval Architects and Marine Engineers. The plan also said that China might become the global shipbuilding leader by the 2015. "As China's economy recovers, there will be batches of new orders. However, since it is unlikely that the global market will bounce back soon, the most difficult period for the shipbuilding industry will emerge around 2011, when companies' production is under capacity," said Wang of the Economic Research Center within CSSC. "Even if the world economy gradually recovers next year, new orders are unlikely to reach previous highs," Wang added.

Source(s): Chen Yang, Alibaba.com, Sept 3, 2009.

<http://news.alibaba.com/article/detail/business-in-china/100166529-1-shipbuilding-industry-far-from-recovery.html>

China Overtakes Japan in Battle of Shipbuilding Titans

Ship deliveries from China exceeded those from Japan in the first six months of the year for the first time. According to figures from Clarkson Research, China's share climbed to 23% in the first half, compared with Japan's 22%. The year as a whole will go down in shipbuilding's stormy history as a year of change, according to Clarkson analysts. At the start of the year, the world's shipyards had an all-time record book totalling 595m dwt although it is not clear, as yet, how much will actually be built.

Clarkson's analysis shows that Japanese builders have adopted a different strategy to shipyards in Europe. Deploying so-called "improvement engineering", Japanese yards have radically reduced building costs of standard ships by building to a strict specification, says Clarkson, and bulk carriers now represent two thirds of Japan's orderbook. In contrast, European yards have opted to build "hi-tech" ships such as cruise vessels, chemical tankers, LNG carriers and other specialised vessels including dredgers. Now the race is on between China and South Korea. In the second quarter, China's output hit a peak of 2.48m compensated gross tons, more than 10% ahead of Japan's 2.2m cgt. But 2010 could see Chinese production reaching 4m cgt per quarter, lagging not far behind South Korea's 5m cgt.

Market sources point out that more new tonnage is being delayed than previously thought, though actual volumes are not clear. The volume of cancellations, which actually mean contract defaults, is also a closely guarded secret between shipyards and their customers. The key issue is the global trend in deliveries.

Source(s): seatradeasia-online.com, Sept 7, 2009.

<http://www.seatradeasia-online.com/News/4586.html>

Daewoo Shipbuilding Completes World's Largest Floating Dock

Daewoo Shipbuilding & Marine Engineering Co., the world's second-largest shipbuilder, said Wednesday (Sept) that it has completed the construction of the world's largest floating dock. The dock is 438 meters long, 84 meters wide and 23.5 meters high, according to the company. A floating dock is a platform or ramp supported by pontoons that can enable ships to be built on the sea. Daewoo Shipbuilding said the dock will be mainly used to build 14,000-TEU container vessels as well as large oil tankers and liquefied natural gas (LNG) carriers. TEU stands for 20-foot equivalent units.

Source(s): Asia Pulse, Sept 09, 2009.

<http://www.tradingmarkets.com/.site/news/Stock%20News/2517806/>

MARITIME SECURITY

EDITORIAL(The Gleaner) - Piracy is Piracy

Over the last year or so, certainly since Beijing, and especially after his recent exploits in Berlin, there has been much discussion in Jamaica about the worth of Usain Bolt - not solely as an athlete, but as a global brand. Or, posited another way, beyond the joy he has brought to Jamaicans

by the blistering pace at which he runs, Bolt, along with our world-beating athletes, is helping to awaken in the country the great value of intellectual property.

The Jamaica Intellectual Property Office (JIPO), in that regard, could not have wished for a better circumstance in its hitherto uphill fight to promote respect for intellectual property. Except that we sense that too many people in Jamaica believe that protecting intellectual property rights ought to be a one-way street - one that runs only in favour of Jamaica - like ensuring that Bolt's now trademark archer stance is legally secured, or that Shelly-Ann Fraser's name is, for instance, not abused as an authorised Internet domain.

Street hustlers : Jamaicans, on the other hand, the attitude suggests, should be able to infringe with impunity on other people's intellectual property rights. Unfortunately, it is a mindset prevalent not only among street hustlers selling rudely pirated CDs or knock-off designer clothes; the contagion runs, apparently, to organised businesses too. Take the case, being played out in the press this week, of the dispute between the United States (US) television content provider, Home Box Office (HBO), and Jamaican cable television companies over the latter's alleged illegal use of the former's service. It is indicative of the cavalier attitude with which formal businesses approach these things. Jamaican cable companies have for years been offering their subscribers a range of HBO products for which they do not pay. The entertainment company is now asking the local regulator, the Broadcasting Commission, to stop the practice and is also hinting at a lawsuit.

Infringement : What is particularly interesting about the issue are the reasons proffered by the cable companies for their infringement of HBO's intellectual property: the company has not, over the years, offered in this market a service that their subscribers would want, so they pinch what is on offer to the US domestic market. It would seem to us that the legal and moral thing to do is not to offer HBO's service at all, except that, as Florence Darby, the CEO of Telstar reasoned, going that route would place her firm at a disadvantage if her competitors continued to provide subscribers with the pirated HBO feed. "Our customers want HBO," she said. But so many people in other parts of the world would like, and have attempted, to brand their coffee as Jamaican Blue Mountain, or trespass on the works of Jamaican reggae artistes without regard for the concerns of the rightful owners.

We underscore this point about respect for intellectual property, inclusive of copyright and trademarks, because this is one area where comparative advantage is not constrained by geography, size or wealth. It is a function, largely, of the creative imagination of the individual. And here is where the playing field is most likely to be levelled - to Jamaica's advantage

Source(s): The Gleaner(Jamaica), Sept 3, 2009.

<http://www.jamaica-gleaner.com/gleaner/20090903/cleisure/cleisure1.html>

China Stages Biggest Maritime Rescue Exercise

China's maritime rescue services staged their biggest ever exercise in the East China Sea Friday(Sept4) to test rescue capabilities and security for the Shanghai World Expo in 2010. The exercise, jointly held by the Ministry of Transport and east China's Zhejiang Province, involved 35 ships, three aircraft and more than 1,000 personnel, said He Yipei, deputy general director of the exercise and deputy director of the Zhejiang Maritime Safety Administration. The exercise began at 9 a.m. off the coast of Ningbo and lasted about an hour.

The exercise simulated a collision between a passenger ship carrying 390 people and a cargo vessel loaded with chemicals, resulting in a fire on the passenger ship and a benzene leak. Rescuers transferred the people in danger, treated those overcome by fumes, controlled the chemical leak, searched for people in the water, put out the fire and evacuated 16,000 people living along the coast in the area of the exercise. However, one passenger "died" in the "accident."

"The exercise was successful," said Xu Zuyuan, Vice Minister of Transport and director of the China Maritime Search and Rescue Center. "It displayed the achievements of China's maritime rescue services over the past six decades, tested their rescue capabilities and helped improve their rescue skills," he said. He said the exercise also tested the country's maritime security for the Shanghai World Expo in 2010, which is expected to attract 70 million visitors from next May 1 to Oct. 31. The exercise site was Fodu harbor, at Ningbo-Zhoushan Port.

Source(s): Zhejiang, Xinhua, Sept 4, 2009.

http://news.xinhuanet.com/english/2009-09/04/content_11993981.htm



UN Calls for Global Efforts to End Piracy

United Nations on Friday (Sept 4) called on for global efforts to curb the rising cases of piracy along the Indian Ocean waters. Speaking at a regional maritime forum underway in Mombasa, UN Political Office on Somalia (UNOPS) Military Advisor Col. Victor Gamor said the war against piracy off Somali waters will not be won unless more emphasis is laid on containing pirates on land before they get to the sea. He said the high amounts of firearms being shipped to the country have continued to fan piracy despite an international campaign to eradicate the vice. The colonel, who was making his presentation during the workshop organized by the Ports Management Association of Eastern and Southern Africa (PMAESA), said there were 5,100 foreign troops in Somalia against a requirement of 8,000.

He said that most worrying aspect of piracy is that arms from several countries were being supplied to the militias while pirates were acquiring more sophisticated equipment and the huge sums of money paid as ransom. "The international community should put more emphasis on addressing the root cause of piracy and a comprehensive strategy adopted in seeking to stabilize the security situation in the country," he said. His comments come in the wake of more ships being targeted and captured by Somali pirates despite the presence of international war ships in the Gulf of Aden, although piracy attacks have lessened over the past four months, he noted.

Southern African Development Community (SADC) secretariat Mapolao Mokoena said since piracy is a global problem that affects businesses, all countries should unite and deal with the menace. "Reinforcing maritime security is best achieved by combining public and private maritime security activities on a global scale into an integrated effort that addresses all maritime threats," she said. PMAESA secretary general Jerome Ntibarekerwa said the organization had developed a program intended to address piracy and potential donors were being sought. Participants drawn from more than 17 east and southern African countries expressed concern that pirates continued to seize commercial ships, and suggested that possibilities of either arming crew members or providing ships with armed escort should be explore.

Source(s): Xinhua, Sept 5, 2009.

http://news.xinhuanet.com/english/2009-09/05/content_11998754.htm

Obama Panel Releases Comprehensive Ocean Report

An influential federal panel tasked this summer by President Obama with revitalizing the nation's coasts, oceans and the Great Lakes Thursday(Sept 15) set out a wide-ranging plan they hope will boost the safety of seafood, preserve wildlife, improve water quality and protect the economies of coastal communities. Members of the Interagency Ocean Policy Task Force, which include representatives from 20 different administration agencies and departments, released the interim report on the same day the group heard from political leaders, environmentalists and businesses in San Francisco.

The multicity tour, which also includes Anchorage, Providence, R.I., Cleveland, New Orleans and Honolulu, is part of the panel's effort to gather public comment on a final plan they intend to send to the president in the next few months. The goal is to create a comprehensive national plan for managing, restoring and protecting the marine environment.

"Today is a historic day for our oceans," said Jane Lubchenco, administrator of the National Oceanic and Atmospheric Administration. "For the first time our nation is saying loudly and clearly that healthy oceans matter." Among the varied stakeholders there is widespread agreement that the country's oceans and coasts are under assault from climate change and rising seas, pollution, overfishing, habitat loss and the development of traditional and alternative energy sources.

The draft report recommended several broad strategies, including improving coordination among local, state and federal agencies; boosting ocean water quality through more sustainable land practices; basing management of marine resources on the health of the environment and the use of marine spatial planning - that is, accurately mapping ocean space to create a more detailed picture of the resources and uses in a given area. Environmental groups, many of which have long fought for a national ocean policy, were thrilled at the administration's quick progress. "Until now, it's been a fragmented approach," said Laura Pagano, oceans attorney with the National Resources Defense Council. "Considering what our oceans generate for us in terms of food, recreation, commerce ... we can't afford not to act."

Source(s): Kelly Zito, The Chronicle, Sept 18, 2009.

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2009/09/17/MN8319OU2E.DTL>

Maritime Security Weaknesses in the Black Sea

Russian naval operations in August 2008 highlighted the security deficit in the Black Sea. As a littoral country, Russia misused the territory of another littoral country, Ukraine, as a staging ground

for attacking a third littoral country, Georgia, using its Black Sea Fleet based in Ukrainian territory in Sevastopol (warships from Novorossiysk also participated in the operation). The Russian fleet landed thousands of troops on the Abkhaz coast, attacked Georgian coastal guard vessels, as well as shore targets further south in Georgia, and blockaded Poti. In that port, Russian troops blew up Georgian coastal guard cutters at the pier.

The Russian fleet's actions violated Ukraine's neutrality, which Russia otherwise professes to uphold vis-à-vis NATO. The naval operation also breached the 1997 basing agreements, which rule out any involvement in hostilities by the Russian fleet based in Ukraine. According to Russian media accounts from naval sources in the war's aftermath, the Russian naval group moved slowly from Sevastopol in the direction of Georgia, four or five days before the August 8 assault. Yet, no littoral or non-littoral country or organization reacted at the political level, before or afterward, to Russia's naval operation.

In the war's aftermath, Ukrainian President Viktor Yushchenko issued a decree requiring the Russian Black Sea Fleet command to provide advanced notification to Ukrainian authorities in each case when its ships and personnel exit and re-enter Ukrainian territory. The decree cites international law and the 1997 basing agreements as the basis for this requirement. Ukraine's foreign ministry has repeatedly taken up the issue with its Russian government counterparts. Yet the Russian government and naval command have largely ignored it.

Russia openly questions Ukraine's sovereignty in the Crimea while signaling that it will try to prolong the stationing of its fleet beyond the 2017 deadline. For that deadline to be observed, the fleet would have to begin the process of withdrawal by 2011-2012. However, Moscow is unwilling and international attention is also lacking. Even some leading Ukrainian proponents of the orientation toward NATO believe that the Alliance and the United States lack a strategy for securing Ukraine's independence and territorial integrity, particularly in the case of escalating Russian pressures in the Crimea (Volodymyr Horbulin and Valentyn Badrak, Defense Express [Kyiv], September 11).

The existing arrangements for confidence-building and security in the Black Sea are proving inadequate to these challenges. The naval confidence-building undertaking BlackSeaFor and the Black Sea Economic Cooperation Organization (BSEC) are consensus-based groups, unable even to discuss officially, let alone deal with, hard-security challenges such as those relating to the territorial integrity of littoral countries. Those groupings and arrangements were not designed to cope with those hard-security challenges; indeed such challenges were not initially anticipated, and went unaddressed after becoming manifest. In terms of naval security, the current situation in the Black Sea amounts to a Russian-Turkish naval condominium, with Turkey probably being the stronger side. The Turkish-led exercise Black Sea Harmony, held periodically with Russia in the southern Black Sea, also has no restraining impact on Russian behavior in the eastern and northern Black Sea.

Source(s): Vladimir Socor, Eurasia Daily Monitor, The Jamestown Foundation, Volume 6, Issue 171, Sept 18, 2009.

http://georgiandaily.com/index.php?option=com_content&task=view&id=14658&Itemid=132

China Takes to the Sea

China's People's Liberation Army Navy (PLAN) has made great strides in recent years as it seeks to come of age. As it seeks to demonstrate greater clout, it also seems to recognize the need to reassure others that the intentions behind its modernization program are peaceful. Accordingly, Beijing claims that its policy of the "harmonious seas" is based on respect for equal access and freedom of navigation for all humanity. However, many remain worried. Conscious of the apprehension its military modernization program is generating, Beijing has decided to counter it with a sophisticated military and defense diplomacy strategy; its naval diplomacy in particular has grown substantially in recent years, and now spans the seven seas.

The PLAN has since 2000 become the priority of China's military modernization program, acquiring 30 submarines and 22 surface ships in the past decade in addition to substantial numbers of maritime aviation assets and naval missilery. Beijing feels the need to reassure its neighbors and the world by portraying its naval and military expansion as benign and a natural result of its economic growth. Naval diplomacy is a major element of this effort.

In recent years, the PLAN has conducted a growing number of visits to foreign harbors and conducted joint exercises with other navies. In 2007 alone, Chinese warships visited 11 countries, with some of the trips as far as the North Atlantic. In 2007, the PLAN carried out joint exercises with the navies of France, Spain, Britain, and Russia. While these exercises were taking place in European waters, two other Chinese vessels were conducting visits to Australia and New Zealand. At about the same time, two other PLAN ships were visiting Pakistan.

The fact that 8 Chinese warships were simultaneously deployed in foreign waters near three different continents illustrates the growing importance of naval diplomacy to Beijing. It also illustrates

the PLAN's growing ability to conduct small-scale operations far from its traditional area of operations. In 2008, Chinese warships visited 8 countries in Asia and Europe, while PLAN delegations visited 17 countries in Asia, Europe, South America, and Africa.

Earlier this year, the People's Liberation Army Navy (PLAN) celebrated its 60th anniversary. At Qingdao naval base in east China, the PLAN showed its power to the world, but also it opened its doors to it. Warships representing navies from 14 countries including the U.S. and Australia attended the naval parade and got to see some of the PLAN's most advanced and secretive equipment, such as its nuclear submarines. The message seems to be "we are getting stronger, but more transparent and we are peaceful."

The PLAN and the Chinese military in general are sending increasingly large numbers of its officers to foreign military academies. In 2006, 23 PLAN officers attended courses overseas, ranging from short operationally-oriented courses to longer courses at Command and Staff Colleges. Chinese naval officers also attend courses in foreign civilian universities, with a dozen or so PLAN officers graduating from post-graduate programs at Singaporean, Australian, and European universities in 2007.

The donation of naval equipment and other material is used by China to win goodwill. In 2007, following the visit of the Bolivian Chief of Defense Force to China, Beijing donated 6 12-meter patrol boats to the Bolivian Navy. Medium and small vessels have been donated to Mauritania, Tanzania, Burma, Cambodia, and Sierra Leone. China has also repaired or built naval bases, constructed barracks, storage facilities, and military hospitals, and donated communication equipment, diving equipment, and cartographic materials to 34 countries around the world. (For more: PacNet #63 – Sept. 18, 2009)

Source(s): PacNet #63, CSIS Pacific Forum, Sept. 18, 2009
<http://csis.org/files/publication/pac0963.pdf>

PNS Zulfiquar Inducted in Pakistan Navy Fleet

The Chairman Joint Chiefs of Staff Committee (CJCSC), General Tariq Majeed, has said that Pakistan has no desire to get into an arms race with any country. "Our efforts for essential strategic, as well as conventional capabilities are only geared towards our legitimate defence needs and promotion of peace and stability in the region." This he said while speaking as chief guest at the induction ceremony of PNS Zulfiquar in the Pakistan Navy Fleet here on Saturday(Sept 19) evening. While thanking the Chinese Government for its full support which has ensured timely completion of first of the four frigates, that is, PNS Zulfiquar, he congratulated all those involved in the project, appreciating the focused efforts of Pakistan's Ministry of Defence Production and Pakistan Navy.

Referring to the linkage of maritime security and economy, the CJCSC said that bolstering the operational capacity and potential of Pakistan Navy through induction of such surface combatants is an imperative of our national security as much as it is to help peace and progress in the region and the world at large. This is because in our era of globalisation and increasing interdependence, where the expanding world economies are almost 90% dependent on sea commerce, the maritime environment, security and economy have become closely interlinked issues today, he added.

He said that this precisely is the reason that Indian Ocean continues to be at the centre stage of global geo- politics. With a staggering one trillion dollars worth of trade including energy goods valued at about 260 billion dollars flowing through this vital part, it is no surprise that the region evokes great interest of the entire world. The CJCSC said that Pakistan because of its unique geo-strategic location at the mouth of Gulf, which serves as the world's energy gateway, enjoys great maritime importance, and therefore has the obligation that the Navy plays its due role in securing the adjoining areas of the high seas to augment the collaborative efforts for regional and global maritime security, he added.

Commending the role of Pakistan Navy, Gen. Tariq expressed that it has for many years continued to be a proactive participant in Coalition Maritime Campaign Plan (CMCP), and as part of Task Force-150 and 151, it has remained engaged in monitoring North Arabian Sea for preventing terrorism, countering piracy and checking arms, drugs and human smuggling, thus providing a safe environment at vital shipping lanes for smooth maritime economic activity.

Source(s): APP, Sept 19, 2009.
http://www.app.com.pk/en_/index.php?option=com_content&task=view&id=86295&Itemid=1

LeT Sea Attack on Cards? Ports Put on Red Alert

Five major ports on the country's western coastline, including two in Mumbai (Mumbai Port Trust and Jawaharlal Nehru Port Trust), have been put on a "red alert" following a specific intelligence input from the Coast Guard. The Coast Guard (Western Region) has alerted several security and port

agencies that terror outfit Lashkar-e-Taiba (LeT) is planning to carry out yet another strike on the western coast from the sea around the third week of September.

The confidential "advisory received from agencies indicate that the LeT is planning to carry out an attack by infiltrating a large group through the coasts around the third week of September", the alert reads. "Infiltration through commercial vessels cannot be ruled out," it adds. It was forwarded on September 13 to five ports, MbPT, JNPT, Mormugao Port Trust (Goa), the New Mangalore Port Trust and Cochin Port Trust. Port officials said Mumbai's coastline have been put on a "red alert" till September 25. "We don't want to take any chance since the alert has come at an unusual time, not around important national events like Republic Day," a senior port official said.

The advisory also recommends four immediate measures to tackle the situation. The entry of fishing boats and short-distance merchant ships have been restricted inside port limits till further notice. CISF commandos are patrolling MbPT's three major docks, Indira, Princess and Victoria, in Ballard Estate. "Immigration officials have also been asked to physically verify entry of passengers and visitors," a senior port official said. This is not the first time intelligence inputs have warned that terrorists might use waterways to target the country's western and eastern coastlines. A few months after 26/11, the Indian Navy said commercial vessels might be used to smuggle in arms and explosives.

The situation this time has become a little more complicated because of the impending elections. Port officials complained that vehicles meant for patrolling were being picked by Collectorate officials for election duty. This week alone eight vehicles from the MbPT were seized for election duty. "Are elections more important or the country's security? How are we to carry out patrolling with limited infrastructure?" a senior official asked. Security agencies confirmed that an alert was received. "The alert was originally sent by the Intelligence Bureau (IB) to all security agencies," an official said. Several police stations, the crime branch, the ATS and port security staff have all reviewed security. It is learnt that the IB was monitoring phone calls and monitoring a few suspects' movements when they came to know of the latest terror plot. These alerts, officials said, were routine but should not be taken lightly.

Source(s): Sharad Vyas & Mateen Hafeez, The Times of India, Sept 19, 2009.

<http://timesofindia.indiatimes.com/news/city/mumbai/LeT-sea-attack-on-cards-Ports-put-on-red-alert/articleshow/5028861.cms>

India's China Panic: Seeing a 'Red Peril' on Land and Sea

In recent weeks, public attention in India over what is perceived to be the growing threat lurking north of the border has reached feverish levels. Tensions along the Himalayan frontier with China have spiked noticeably since a round of Sino-Indian talks over long-standing territorial disputes this summer ended in failure. In their wake, the frenetic Indian press have chronicled reports of nighttime boundary incursions and troop buildups, even while officials in both governments have downplayed such confrontations. Elements in the Indian media point almost daily to various signs of a Beijing plot to contain its neighbor's rise, a conviction aided by recent hawkish editorials from China's state-run outlets. This week, leading Indian news networks loudly cataloged Chinese transgressions under headlines like "Red Peril" and "Enter the Dragon."

India and China fought a war in 1962 whose acrimonious legacy lingers even while economic ties flourish (China is now India's biggest trade partner). Beijing refuses to acknowledge the de facto border — demarcated by the British empire — and claims almost the entirety of the northeastern Indian state of Arunachal Pradesh as part of its territory. Indian strategic analysts believe Beijing's stance has hardened in recent years, perhaps as a consequence of its increasing economic and military edge over India as well as growing Chinese influence in smaller South Asian countries like Nepal and Bangladesh. Comments made last month by India's outgoing navy chief that the country could not hope to match China's hard power capabilities set off a bout of national hand-wringing. "There's a nervousness among some policymakers that the Chinese see India as weak and vulnerable to coercion," says Harsh Pant, professor of defense studies at King's College, London, and author of a forthcoming book on India's China policy. "Indians feel they can't manage China's rise and that they are far, far behind."



Conflict, though, is not inevitable. It's natural for rising powers to extend their reach and rub up against each other. China and India, says C. Uday Bhaskar, director of the National Maritime Foundation, a think tank attached to the Indian navy, need to "evolve some kind of modus vivendi as they establish themselves in the Indian Ocean." But few can divine what that may look like. Part of the problem is that despite booming trade between India and China, there is little political understanding between their governments. "They engage very superficially," says Pant. "There's rarely consensus on any of the fundamental issues." Comparisons have even been made linking India and China's current rapport to the ill-fated understandings between the U.S. and Japan in the early 20th century. Though in a vastly different context, the two countries, says Pant, are clandestinely probing and feeling out each other's geopolitical intentions in an eerily similar fashion.

An article in the March-April issue of *Foreign Affairs* by Robert Kaplan, a prominent American writer and strategic thinker, suggested that the U.S., far and away still the world's preeminent military power, could be the chief "balancer" and "honest broker" in the Indian Ocean. But that idea has been received icily in Asia, with many governments seeing the U.S. as a nation in decline, marooned in costly adventures abroad and led by an Obama Administration that is less willing to confront the aggressive posturing of a rising giant like China. It would be better, says Bhaskar, for India and China to slowly forge a constructive pan-Asian consensus and do away with the "post-colonial baggage" that animates the current Sino-Indian border dispute. But as talk of a new Asian "Great Game" gains favor, history and geography may not be so easy to overcome.

Source(s): Ishaan Tharoor, *Time*, Sept, 20, 2009.
<http://www.time.com/time/world/article/0,8599,1924884,00.html>

Countering Piracy in the Modern Era: Notes from A RAND Workshop to Discuss the Best Approaches for Dealing with Piracy in the 21st Century

In March 2009, the RAND Corporation convened a small group of experts from the U.S. government, allied partner nations, the maritime industry, and academic organizations to reconsider the underlying factors that drive maritime piracy in the 21st century. This conference proceedings highlights the six major themes that animated much of the discussion: (1) the relevance of the current legal framework for countering piracy, (2) the economic burden imposed by piracy, (3) the opportunities for international collaboration that have been afforded by the joint maritime patrols off the Horn of Africa, (4) the question of using private security contractors to protect shipping transiting dangerous waters, (5) the extent to which industry talks with a "single voice" in terms of addressing maritime security, and (6) means of confronting the unique nature of piracy off the Horn of Africa. Perhaps the most important conclusion that can be drawn from the workshop is that mitigating the complex nature of maritime crime requires the input of all relevant stakeholders — state, national, private, and nongovernmental — and must necessarily embrace measures that go well beyond the simple and expedient reactive deployment of naval assets.

Source(s): Sept 21, 2009.
<http://www.docuticker.com/?p=27512>

Piracy 'Spike' in South China Sea

Piracy in the South China Sea has hit a five-year high, an international monitoring agency has said. According to the ReCAAP monitoring centre, there have been 10 reports of sea attacks so far this year, compared to the previous high of nine in 2005. Tankers and large container ships are most vulnerable to pirate attacks, said ReCAAP, because they are slow moving. The latest attack was on Saturday (Sept 20), when six pirates boarded a tanker off Indonesia and robbed the crew.

ReCAAP, which stands for the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia, said pirates were also active in the Strait of Malacca and the Strait of Singapore, with five boardings and one attempted boarding. Most of the incidents involve pirates robbing the crew and stealing stores from ships, unlike in the waters off Somalia where ships and their crews are often held for ransom.

Source(s): BBC, Sept 21, 2009.
<http://news.bbc.co.uk/2/hi/asia-pacific/8267057.stm>



Indian Stealth Destroyer Launched

The Indian navy has launched a stealth destroyer capable of carrying nuclear warheads. The INS Kochi, a 6,500-ton warship, will add its force to the existing Indian fleet, which includes the INS

Delhi, INS Mysore and INS Mumbai. Defense observers say the latest launch, the second of the Indian navy's three stealthy Project-15-A or Kolkotas-class destroyers, is part of India's state quest to become a dominating nuclear naval force in the Arabian Sea.

"Launching the warship is an important milestone in the construction process," Adm. Nirmal Verma said at the launch ceremony, according to the Indian Express. Built by Mazagon Dock, India's state-owned shipyard, and designed by the Directorate of Naval Design, "the INS Kochi will be fitted with supersonic BrahMos missile and long-range surface-to-air missiles," reported Defense News. A senior Defense Ministry official quoted by Defense News said the Kochi was launched "via a pontoon-assisted launch procedure, with aerial support from two multi-role helicopters." It is the first launch of its kind to be used in India.

The INS Kochi also has a built-in feature that makes the vessel less vulnerable to be spotted by enemy radar. The ship's close-range defense capability will be boosted by four AK-630 rapid-fire guns and a medium-range gun, according to a navy spokesman quoted by The Times of India. Twin-tube torpedo launchers and anti-submarine rocket launchers, the Humsa-NG hull-mounted sonar will also equip the destroyer, adding punch to the ship's anti-submarine capability. Its maximum speed is said to be above 30 knots. The launch comes as India prepares to set off a new satellite that would also monitor the Indian Ocean and the Arabian Sea. The new launching of Oceansat-2 satellite is aimed at identifying potential fishing zones and coastal studies but it can also track naval movements and defense maneuvers in the region.

"The Indian navy is poised for growth and the time to conceptualize an indigenous warship building system has come," Verma was quoted as saying at the launch by The Press Trust of India. He said that the Indian navy was required to relook and evaluate inefficiencies of the force.

Source(s): United Press International, Sept. 22, 2009.

http://www.upi.com/Security_Industry/2009/09/22/Indian-stealth-destroyer-launched/UPI-10011253641705/

Naval Warship to Tackle Pirates

The Plymouth-based Royal Navy warship HMS Monmouth is heading to the Arabian Gulf later. The Type 23 frigate, known within the fleet as "The Black Duke", will carry out anti-piracy and maritime security operations during its deployment. It is due to leave Devonport at 1700 BST and will be away for six months. In May the crew were awarded the Royal Navy Intelligence Trophy for their role in maritime security and intelligence collection during deployment in 2007.

Source(s): BBC, Sept 30, 2009.

http://news.bbc.co.uk/2/hi/uk_news/england/devon/8278132.stm

Maritime Security Requires More Investment

Maritime security requires more investment in security technologies, to counter increased threats to shipping routes, merchant ships and their crews and to ports, especially as many pirates and terrorists are now very well equipped. This demand raised by Dagmar Wöhr, Maritime Coordinator of the Federal Government and Parliamentary State Secretary at the Federal Ministry of Economics, will be an important subject in the panel discussion on the evening of 30 September 2009, in the framework of the international conference and exhibition on maritime security & defence (MS&D), which takes place on the Hamburg Fair site from 30 September to 2 October 2009.

The panel discussion will be held with an audience of more than 200 invited guests at the International Maritime Museum of Hamburg in the historic Warehouse District, with high-ranking personalities from government, navies and maritime companies. The subject is "Maritime Security - Opportunities and challenges for the industry". This will be discussed from a range of viewpoints - apart from Dagmar Wöhr as the opening speaker, the panellists will be Thomas Kossendey, Parliamentary State Secretary at the Federal Ministry of Defence, Dr. Klaus Borgschulte, CEO Lürssen Shipyard, Niels Mathiesen, General Manager of the Danish shipping company Clipper Group, and Heinrich Goller, Managing Director HHLA Container Terminals GmbH. The discussion will be chaired by MS&D Chairman Vice Admiral (ret.) Lutz Feldt, who was Chief of Staff of the German Navy until 2006 and is now President of the German Naval Institute (DMI).

One thing has emerged quite clearly from the bitter experience of the community of nations with the successes of pirate and terrorist attacks in recent years - there are no quick and easy solutions to put an end to the threat. Vice Admiral Feldt made it clear in the run-up to the panel discussion that an overall concept is needed for maritime security. He noted that this calls for dialogue between everyone responsible in this area - in the various ministries, and with shipowners, charterers and the maritime industry. Hence the importance of concerted international activities such as MS&D, to discuss the threat situation and to reach agreement on joint policies to solve the problems. "We need action by government policy makers at national and international level. The European Union is a key partner in this," said the MS&D Chairman. A similar standpoint is also taken by Heinrich Goller in the panel discussion. The Managing Director

of HHLA calls for a harmonised security concept specified by governments, adding that it has to be implemented worldwide. It is vital to ensure that it is completely comprehensive - it has to include the whole of the supply chain. He noted that security in the Port of Hamburg is increased by HHLA in particular by systematic implementation of and compliance with the rules of the ISPS Code, by intensive cooperation with the relevant authorities, and by reliable and efficiently organised processes at all stages.

Source(s): MS&D, Sept 30, 2009

http://www.nautica.it/notizie/maritime-security-requires-more-investment_2009090534.htm

MARINE ENVIRONMENT

UN Officials Push for Creation of Monitoring System for Marine Environment

Significant gaps exist in the understanding and management of the complex processes and trends at work in the world's oceans and seas, which cover 70 percent of the Earth's surface, warned senior United Nations officials here on Monday (Aug 31) as they urged governments to approve expert recommendations establishing a system that plugs the holes. At the opening of a week-long governmental session tasked with considering proposals for the creation of a mechanism that monitors oceans and seas worldwide, Deputy UN Secretary-general Asha-Rose Migiro called for "a continuous, comprehensive and integrated review of the problems facing the marine environment, including socio-economic aspects."

UN Environment Program (UNEP) Executive Director Achim Steiner said that declining fish stocks and land-based sources of pollution are some of the persistent challenges facing the marine environment, while the emergence of "dead zones" and the impacts of climate change -- including acidification -- are among the more rapidly emerging challenges. "A systematic assessment process is long overdue," said Steiner. "This meeting in New York represents a tremendous opportunity for governments to put the best marine science at their service in order to make the best management choices over the coming years and decades."

The UN General Assembly's special working group, met from Aug. 31 to Sept. 4, reached an agreement, the first globally integrated UN-backed assessment of the oceans could be delivered by 2014, according to a joint news release issued by UNEP and the UN Educational, Scientific and Cultural Organization (UNESCO). UNESCO Director-general Koichiro Matsuura underscored concerns in the Assessment of Assessments report -- the first-ever comprehensive overview of scientific marine assessments -- which also considers socio-economic issues.

"The report is a clear signal that the world needs a more inclusive approach on its oceans and resources," said Matsuura, adding that it "provides a framework and options for how this can be done." UNEP and UNESCO noted that despite the central role oceans play in the economic, environmental and social affairs of the world's 6.7 billion people, not enough is known about their processes from the global climate system, the water cycle and circulation of nutrients, to changes affecting marine habitats.

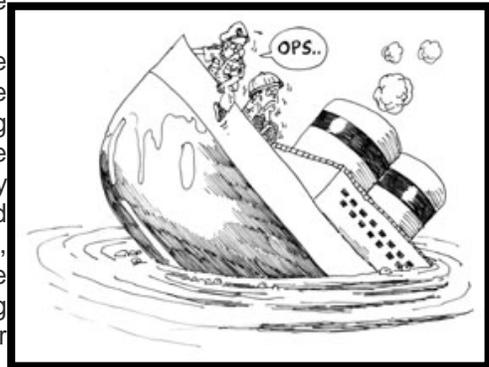
Source(s): Xinhua, Sept 1, 2009.

http://news.xinhuanet.com/english/2009-09/01/content_11974330.htm

EDITORIAL(The Sun Star): Another Maritime Disaster

The sinking of SuperFerry 9 is certainly not a worse tragedy than that of Princess of the Stars years ago. But like the other sea mishaps that dotted Philippine history, the recent accident conjured the same distress, worry and frustration in the faces of the victims and their relatives.

Probably because of the repetitiveness in the surfacing of these images after each maritime disaster, the emotional reaction of those concerned is blunted, making them lose gradually the drive to find solutions to the problem. The repetitiveness is also the reason why concerned government agencies and officials often respond mechanically to every sea mishap: conduct an investigation, suspend the operation of the shipping firm, etc. until the interest in the matter wanes followed by the stage of waiting for the next disaster to happen. And when that disaster comes, the mechanical response is repeated once more.



Lessons: Yesterday it was Sulpicio Lines, Inc.; today it is Aboitiz Transport System. The faces of the protagonists change, but the situation that gives rise to the accidents remain. Because of this, many

people are asking how much of the lessons learned from previous disasters in the country have made a difference in the running of the industry. Or have these lessons really been learned at all? This in itself is tragic considering geography. A country whose existence relies heavily on sea travel should have, and this one is a no-brainer, give importance to the development of its maritime industry. And yet, while we have graduated from using sailboats and paddles, almost all of our sea routes are still serviced by second-hand, if not rickety, sea vessels whose designs do not fit the nature of our seas. Even recent advances in technology have not been fully availed of to ensure safety in sea travel.

Change: A Cebuano word best describes the status of the maritime industry in the country: mantinil. Providing the best service, or modernizing sea travel, is secondary only to the profit motive or, in the case of government, the generation of revenues from industry taxes. Without a paradigm shift, sort of, or a radical change in the running of the industry, we can never break free from the cycle of tragedies and mechanical responses that has not made sea travel in the country safer.

Source(s): The Sun Star, Sept 9, 2009

<http://www.sunstar.com.ph/cebu/editorial-another-maritime-disaster>

China Issues Regulation to Curb Marine Pollution by Ships

China's State Council, or the Cabinet, issued a new regulation Wednesday (Sept 16) targeting prevention and remedies for marine pollution caused by ships. The regulation, which includes nine sections and 78 rules, said transportation departments under the Cabinet should compile emergency plans to deal with pollution caused by ships or related activities. Once the plans are completed and have been approved by the Cabinet, coastal governments above city level should map out emergency plans based on one proved by the State Council.

China's transport departments and governments above city level have also been asked to establish emergency mechanisms and plans to prevent and deal with marine pollution. Marine management institutions should cooperate with other departments to improve monitoring and supervision over the activity of ships and pollution caused by them. Professional teams to deal with emergencies, specialized equipment and facilities should be organized, according to the regulation.

Anyone who is responsible for marine pollution should make efforts to eliminate the pollution hazard and make compensation. The regulation will take effect on March 1, 2010. Official statistics say 733 ship pollution accidents occurred between 1998 to 2008 in sea areas in China's jurisdiction, which led to huge economic and environmental losses. The regulations will apply to every type of shipping, except military.

Source(s): Xinhua, Sept 16, 2009.

http://news.xinhuanet.com/english/2009-09/17/content_12065276.htm

MARITIME COOPERATION

Maritime Watchdog Urges More Anti-Piracy Ops in South China Sea

A global maritime watchdog called Tuesday (Sept 22) for more anti-piracy operations in the South China Sea due to a marked increase in attacks in the southern fringes of the ocean. Noel Choong, head of the International Maritime Board's piracy reporting centre, told AFP there were 19 attacks reported in the area for the first nine months of this year compared to 17 for the whole of 2008. "We are urging countries in the area to increase anti-piracy operations as this helps to reduce such attacks," he said.

The affected area lies in a triangle between Indonesia's Anambas Islands, Tioman Island off Malaysia and the eastern Singapore Straits. Choong said crews needed to be more vigilant when sailing through the area. Pirates attacked a Singapore-flagged liquefied petroleum gas tanker heading through the Singapore Straits on Saturday. Six pirates boarded the tanker and attacked the crew using machetes before robbing them and fleeing. "These vessels should mount anti-piracy watches in the triangle because once these pirates are spotted, they do not attack unlike in Somalia where the pirates attack regardless of being identified," he added.

Choong said most of the pirates in the triangle were armed with guns and knives and that the maritime board had sent out an alert to vessels in May this year warning them of the dangers in the area. "Every time we inform the authorities the attacks go down but they then slowly creep up, so we are keeping a very close eye on the region," Choong said. Pirate attacks have more than doubled globally in the first half of 2009 because of rampant high-seas raids by Somali pirates, according to



the International Maritime Board. It earlier said incidents of piracy rose to 240 from 114 worldwide in the six months to June, compared with the same period a year ago.

Source(s): AFP, Sep 22, 2009.

<http://www.google.com/hostednews/afp/article/ALeqM5iaJMbfb06ldP27GzmkZ2rsaZqJJA>

Pak Moots A Maritime Security Agency With India

Pakistan has mooted to India the creation of a joint maritime security agency to prevent sea borne terrorist attacks like the one on Mumbai last year that killed 183 people. The Pakistan navy has suggested the creation of the joint maritime security agency to the government, Naval chief Admiral Noman Bashir told reporters after inaugurating a conference on piracy organised in southern port city of Karachi by the Master Mariners Society of Pakistan.

Replying to a query, Bashir said soon after the Mumbai attacks, the Pakistan Navy had proposed the setting up of the joint maritime force comprising personnel from the two countries. He did not give further details. The 10 terrorists who carried out the Mumbai attacks travelled by sea from Karachi to the Indian financial hub. Pakistani investigators have seized the boats that were used by the attackers and are currently searching for their crews

Source(s): PTI News (Pak), Sep 29, 2009.

http://www.ptinews.com/news/304860_Pak-moots-a-joint-maritime-security-agency-with-India



MARITIME LEGISLATION

Misconceptions on PPP Port Projects

Between 2006 and January 2008 the Public-Private Partnership (PPP) Approval committee approved 40 projects worth just \$170 million. Infrastructure projects typically have a long gestation period and \$30 billion of private investment is required every year on an average to achieve the overall target. The numbers so far do not bode well for meeting the government's investment spending targets and coupled with this, many of the approved projects have been caught in regulatory, social and land acquisition issues. These delays act as further dampeners for private agencies looking to invest in other PPP projects.

In addition to this, there have been a number of concerns or misconception about PPP projects; **Govt is acquiring land for benefitting pvt agencies.** The private investment is being brought in to address various shortcomings that the govt find difficult to address. The private investor would eventually move out once the time frame of the initial concession is completed which will ultimately result in the creation of a public utility which would continue to serve national interests. **PPP projects would lead to private monopolies:** Once the government has decided to go forward by inviting private participation, the number of projects that have been taken up by agencies have increased exponentially, leading to a free market and an open field for competition. In port projects especially, the government has specific clauses which discourage any sort of monopoly.

Allocating large chunks of land for ports: Scaleability remains crucial for the success of any port. Most of the ports start earning steady profits once they have scaled up in size. Therefore, even if the full scale development is not done initially, the port should have identified and acquired the entire land required for its full scale development. Otherwise this land would be occupied by others, eventually choking the port of its own growth and survival

Source(s): The Economic Times, Sep 7, 2009.

<http://economictimes.indiatimes.com/News/News-By-Industry/Transportation/Shipping/-/Transport/Misconceptions-on-PPP-port-projects/articleshow/4979703.cms>

Pvt Port Operators May Be Allowed to Fix Tariffs

The government is considering a proposal to allow private operators in major ports to independently fix tariffs for activities like cargo & container handling and documentation based on the demand and supply factors, a senior government official said. At present, port regulator Tariff Authority for Major Ports (TAMP) fixes tariff ceilings for all activities in the country's 12 major ports that handle 70% of the export and import traffic. The move, suggested by the ministry of shipping, is aimed at bringing down tariffs by increasing competition. "We are thinking of de-linking tariff from the port regulator. In most of the countries, port tariff is fixed by market forces," a senior official in the ministry of shipping told ET.

The ministry is also planning to restructure and strengthen the port regulator. It has formed a committee under additional secretary and financial advisor (AS&FA) Vijay Chhibber to suggest ways for restructuring TAMP. "We are also in the process of strengthening TAMP by giving it more powers. We are thinking of de-linking tariff from the port regulator. TAMP could look into other areas such as environment," the official said. The ministry is currently studying the model of tariff fixation by South

African ports, he added. The ministry hopes that competition among private operators in the areas like documentation and freight forwarding may bring down rates at ports. At present, TAMP fixes a ceiling or a threshold level for rates charged by various operators.

"Deregulation of tariff at major ports would make tariff revision more frequent. It is, however, unlikely to make any difference in rates as the regulator fixes tariff by consulting all stakeholders," Indian Ports Association (IPA) managing director A Janardhana Rao said. Tariff is currently reviewed at an interval of 2-3 years. TAMP regulates both vessel and cargo related tariffs, besides rates for lease of properties of Major Port Trusts and private operators located there. Private ports are outside the ambit of the port regulator and they fix their rates with the approval of concerned state maritime boards.

Source(s): The Economic Times, Sep 23, 2009

<http://economictimes.indiatimes.com/news/news-by-industry/transportation/shipping/-transport/Pvt-port-operators-may-be-allowed-to-fix-tariffs/articleshow/5044765.cms>

IMO CORNER

UN Maritime Chief Calls on World Leaders to Agree on Global Warming Treaty

No one is immune to the impact of climate change, the head of the United Nations maritime agency warned today (Sept 29) in a message urging world leaders to reach agreement at an international conference aimed at firming up an effective greenhouse gas reduction pact in December. "Mankind is on the horns of a dilemma," stressed Efthimios Mitropoulos, Secretary-General of the International Maritime Organization (IMO). In a message marking World Maritime Day, whose theme this year is "Climate Change: a challenge for IMO too!," Mr. Mitropoulos said that whether "we like it or not, our collective way of life has become unsustainable and we need to do something about it, and soon. "The choices we have made about the way we lead our lives have been slowly eating away at the very support system that enables us to live and breathe," said Mr. Mitropoulos. "This cannot, and should not, go on."

The IMO chief underscored that finding solutions to the threat of climate change are everyone's responsibility and the solutions need to be realistic, cost-effective, well-balanced, and implemented through clear, transparent, and "fraud-free" mechanisms. The international community can provide the force needed to push ministers and Heads of State to act decisively and in concert when they meet in Copenhagen in December to agree on a successor to the Kyoto Protocol treaty to cut carbon emissions, said Mr. Mitropoulos. Echoing a speech made by Secretary-General Ban Ki-moon in India earlier this year, he said that industrialized countries "bear a great deal of responsibility for the state of the planet today, and they must bear their share of the burden when it comes to paying for solutions. "But, at the same time, countries which did not contribute as much to global warming still have a responsibility to address it. I don't think this is the time for finger pointing." He said that responsibility to take bold, comprehensive and coordinated action to jump-start the recovery of the planet lies with industrialized countries, emerging economies and the developing world. "Working together, with a sense of responsibility for future generations, the agreements the Copenhagen Conference will be able to make later this year can have genuine and lasting value."

Gaëlle Sévenier of the World Meteorological Organization (WMO) said the agency was joining the IMO in celebrating International Maritime Day by issuing a new guide for the security and improvement of maritime navigation in newly opened Arctic sea lanes, created by climate change. WMO said that the new edition of the Manual on Maritime Safety Information, released jointly with IMO and the International Hydrographic Organization (IHO), is a practical guide for anyone concerned with drafting navigational warnings or with issuing weather forecasts and warnings under the Global Maritime Distress and Safety System (GMDSS). World Maritime Day, which IMO celebrates in the last week of September every year, is used to focus attention on the importance of shipping safety, maritime security and the marine environment and to emphasize a particular aspect of IMO's work.

Source(s): Sept 24, 2009.

<http://www.un.org/apps/news/story.asp?NewsID=32204&Cr=&Cr1=>

Associate Membership: Membership of NMF is open to individuals. Application forms may be downloaded from www.maritimeindia.org.

Suggestions and contributions are welcome at maritimeindia@gmail.com

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