

MAKING WAVES

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MARITIME INFRASTRUCTURE

What is Unique About India's Deepest Port?

After going through five to seven years of land acquisition problems of India's deepest port, the Port Gangavaram has become a reality. This green field port was developed on a Public-Private Partnership model and is promoted by a consortium led by renowned IT entrepreneur, D V S Raju and Andhra Pradesh Government. The newly developed port has already posed stiff competition to the nearest major port of Vishakapatnam. Gangavaram port has already poached a top customer from Vizag port by signing on state-owned Rashtriya Ispat Nigam Ltd that runs the Visakhapatnam Steel Plant.

Trial operations have already begun in the port and the first commercial vessel M.V.Timios Stavros was berthed on August 03. The second commercial vessel M.V.Ikan Sembak with 53,970 tonnes of non-coking coal from Indonesia was berthed on August 04 to avoid demurrage charges at the congested Visakhapatnam. The port has a water depth of up to 20m, deeper than any other port in the country, that will help it handle large bulk carriers with a cargo carrying capacity of up to 200,000 tonnes. The Greenfield port is operated by Gangavaram Port Limited and is developed as a Public-Private Partnership to handle up to 300,000 DWT vessels with 29 berths, in phases over a period of 50 years. It is located in East Coast of India about 15 kms south of Visakhapatnam Port. Road connectivity to the port is through a four lane expressway of 3.8 kms connecting the port with the National Highway No.5 (Chennai - Kolkata). Railway connectivity is being provided to connect the port to national network of "Chennai-Visakhapatnam-Howrah" rail corridor. as part of phase 1 development one Iron Ore berth, one Coal berth and three Multipurpose berths are ready with 19.5 metres depth in harbor below CD.

Source(s): commodityonline.com, Sept 05, 2008

<http://www.commodityonline.com/news/What-is-unique-about-Indias-deepest-port-11516-3-1.html>

JN Port Gets Nine Bids For Terminal

State-owned Jawaharlal Nehru Port, or JN Port, India's busiest container handling port in Navi Mumbai, received nine bids to develop a Rs 600 crore container facility to boost capacity and ease congestion. The port plans to develop a terminal with a capacity to handle 600,000 standard containers in partnership with private firms. JN Port handles some 60% of India's container cargo of about 7 million standard containers. Container cargo at the port grew 23% to 4.06 million standard containers in fiscal 2008 and it now operates at more than its capacity. Its three existing container handling facilities are designed to handle only 3.6 million standard containers.

A consortium comprising Danish firm APM Terminals and state-run Container Corp. of India Ltd, or Concor, was excluded from the tender because of a Central government policy that prohibits firms that have won the previous cargo handling contract at a major port from participating in the bidding process for the immediate next contract. APM Terminals-Concor operates the third facility at JN Port. The other two facilities are run separately by DP World and JN Port itself.

Source(s): P. Manoj, Live Mint, Sep 8 2008.

<http://www.livemint.com/articles/2008/09/08225354/JN-Port-gets-nine-bids-for-ter.html>

Kerala Minor Ports Set to Handle 27 Million Tonnes by 2011-12

Kerala is seen to be making good progress in its effort to develop its numerous minor ports. Discussing various ongoing development works Capt S Vijayan Pillai Director of Ports Government Kerala told Project Monitor that by 2011-12 the state has targeted 27 million tonnes of cargo through its non major ports. Much of the capacity expansion is targeted through private participation and it is expected that over INR 5,000 crore of private investment would flow into Kerala's maritime infrastructure development in the coming years. While development of non major ports got a major

boost with the recent award of the Vizhinjam international container terminal project others like Beypore, Azhikkal, Alappuzha, Thangassery and Ponnani are also seen progressing. The state government has decided to develop a marina and a cargo harbour at Alapuzzha. The port department is currently seeking consultants to prepare the detailed project report and to structure the project on PPP basis. Explaining the background, Captain Pillai said that earlier it was envisaged to develop the marina followed by the cargo harbor.

Source(s): Steel Guru, Sept 10, 2008.

[http://steeltguru.com/news/index/2008/09/11/Njl1NTM=/Kerala minor ports set to handle 27 million tonnes by 2011-12.html](http://steeltguru.com/news/index/2008/09/11/Njl1NTM=/Kerala%20minor%20ports%20set%20to%20handle%2027%20million%20tonnes%20by%202011-12.html)

Maritime Industry to Play Key Role in Vietnam's Marine Economy

The Vietnam Seaports Association (VPA) is focusing on 10 major measures to upgrade national seaports to the regional and international standards to turn the shipping industry into the key of the national marine economy after 2020. The strategy was worked out at an annual conference held by the association in the central coastal province of Khanh Hoa on September 11, which drew over 300 representatives from 49 seaports nationwide and leaders of the relevant agencies. The VPA said it attached importance to international cooperation in consultancy, development assistance and trade promotion to bring the national seaport system on a par with other regional countries in all fields, ranging from development scales to management, potential tapping effectiveness and competitiveness. It also unveiled a plan to upgrade the technological system to increase the cargo handling capacity and mitigate service costs, thus ensuring high competitiveness in deep-water seaports in the global integration era. Vietnam now boasts a system of 160 seaports, which recorded an annual growth rate of 20% in cargo handling volumes.

Source(s): Intellasia - VNA, Sep 13, 2008.

<http://www.intellasia.net/news/articles/business/111249133.shtml>

Andaman and Nicobar May Get a Major Port

The Shipping Ministry is considering a move to set up a port in Andaman under the Major Ports Act, which will allow the port at Andaman to be funded from the Centre. The Ministry is also exploring the possibility of setting up a shipping company at Andaman in which the Shipping Corporation of India (SCI) will have a stake. The shipping company will acquire and operate ships. "Under the Central jurisdiction, the port can access budgetary grants. It can be developed as a transshipment port such as Colombo, where majority of cargo is transhipped," said a source.

Nods from the Island Development Authority headed by the Prime Minister and Planning Commission are required to execute the proposal. According to Mr Manoranjan Bhakta, Member of Parliament, Andaman and Nicobar Islands, "This has been our long-pending demand. Andaman enjoys a location advantage for accessing South-East Asia. The Centre can develop this as a gateway for foreign trade."

Andaman and Nicobar Islands has 23 ports, according to the Indian Ports Association data — Port Blair, Mus, Car Nicobar, Havelock, Mayabunder, Diglipur, Rangat, Hut Bay, Katchal, Campbell Bay, Neil Havlock, Dugong Creek, Nancowry, Chowra, Teressa, Kondul, Pillow Millow, East Island, Clnque Island, Jolly Bouy Island, Tillonchong, Castle Bay and South Bay. According to Government data, ports at Pondicherry, Andaman and Nicobar, and Lakshdweep together handled 1.6 million tonnes of cargo in 2006-07. Incidentally, a high-powered committee set up by Government a few years ago had recommended developing Port Blair as a cruise tourism destination.

Source(s): Mamuni Das, The Hindu Business Line, Sept 19, 2008.

<http://www.thehindubusinessline.com/2008/09/20/stories/2008092051641000.htm>

Japanese Industry Keen to Invest in Port Projects

A five-member team of delegates from Jetro (Japanese External Trade Organisation) is in Tuticorin to study the business potential with special focus on investment in port-related projects. The team, led by Masahiro Akiyama, Chairman Ocean Policy Research Foundation, Tokyo, would look into port development, cargo movement, management and port administration. Speaking on the occasion, Akiyama said the visit would be useful with regard to Japanese investment in India in the areas like ship building, automobile industries, steel plants and auto components. The team would also explore the scope for promotion of trade from Tuticorin. The port users explained to the visiting delegates about available infrastructure facilities such as road, rail and air connectivity, labour, education, health, entertainment and geographical advantage.

Source(s): The Hindu Business Line, Sept 22, 2008.

<http://www.thehindubusinessline.com/blnus/09221436.htm>

Port Giants Dock at Indian Harbour

Port majors in countries like China, France and Britain are keen to invest in Indian ports. This could be towards setting up greenfield projects, improving productivity at existing ports and setting up other facilities like container terminals and roads. Total investment, expected to cross Rs 10,000 crore over one year, would help private and government port authorities use new technology and expedite implementation of schemes, said a senior official with a private port. Some of the deals could be in the form of JVs with foreign ports. FDI up to 100% is allowed under automatic route for construction and maintenance of ports and harbours.

Jurong Port Authority of China has firmed up plans to set up a greenfield port in the east coast with Sical Logistics, involving an initial investment of Rs 1,500 crore. Similarly, Mumbai Port Trust is entering into a sister port agreement with the Port of Marseille-Fos of France while the Irish Port Authority is likely to invest in Jaigarh Port in Maharashtra. According to a senior official with the infrastructure advisory committee of KPMG, "The main idea of foreign collaboration is to enhance the business skills of major Indian ports. Collaboration with the foreign ports will not only enrich Indian ports technologically, but also enable them to operate from anywhere in the world." Notably, Mundra Port has already signed an MoU with Antwerp Port Authority to absorb some international port management practices.

Source(s): Sumantra Das, ET Bureau, Sep 29, 2008.

http://economictimes.indiatimes.com/News/News By Industry/Transportation/Shipping Transport/Port_giants_dock_at_India_n_harbour/articleshow/3537849.cms

Karnataka to Develop Fishing Ports Under PPP Model

Ten fishing ports in Karnataka state will be developed extensively under the public-private partnership (PPP) model, according to state minister for ports and inland water transport J Krishna Palemar. According to him, the government will empower groups of people and consortiums of organizations to create infrastructure and manage and maintain them for long periods. The government was also examining that this model will be linked to the build, operate and transfer (BOT) model thereby keeping the vital installations in the government hands in the longer run, he said at a function held recently to inaugurate a new shipping and old port office in Mangalore.

Mr Palemar pointed out that the ports will be developed at a cost of Rs. 100 crore over a period of three years and the central government will provide Rs 50 crores and the rest will have to be borne by the consortiums which intend to participate in the PPP model. He, however, clarified that there need not be any apprehension among the fishing communities as the control of administration will still be with the government and it will monitor the of the consortiums from time to time.

Source(s): The Economic Times, Oct 13, 2008.

http://economictimes.indiatimes.com/News/News By Industry/Transportation/Karnataka_to_develop_fishing_ports_under_PP_P_model/articleshow/3588050.cms

Chennai the Detroit of Asia ?

Union minister of shipping, road transport and highways, T R Baalu said on Oct 18 that Ennore Port, along with Chennai Port, would be a catalyst "in making Chennai the Detroit of Asia by facilitating seamless exports and imports, and it would be the Engine of industrial and economic development of not only Tamil Nadu but also its hinterland in the other southern States." Presiding over the signing ceremony of the memorandum of understanding between the Ennore Port Ltd and Nissan Motor (India) Pvt Ltd for export of Cars through Ennore Port in Chennai today, Baalu said that the country's economy is poised to take a great leap and to give the economy boost, the centre has planned to give an impetus to infrastructure development.

Balu said that over Rs20 lakh crore would be invested during the five years of 11th five year plan for infrastructure development, out of a total investment of over Rs36 lakh crore, which is 56.4 per cent of the total investment. Baalu said that the department of shipping has launched the National Maritime Development Policy (NMDP), focusing on the port sector in India during the past four years that had led to a 36-per cent increase in the handling capacity from 384.5 million tonnes in March 2004 to 532 million tonnes in March 2008 and a traffic growth of 51 per cent from 344.79 million tonnes in 2003-04 to 519.23 million tonnes in 2007-08.

He said that the NMDP comprises 387 projects involving a total investment of Rs100,339 crore (approximately \$21 billion), out of which Rs55,804 crore was for the port sector and the remaining Rs44,535 crore for the shipping and inland waterway transport sectors the projects scheduled for completion by 2011-12. Rs13,284 crore had been allocated by the department of shipping, to Tamil Nadu for the development of the three major ports - Ennore, Chennai and Tuticorin.

Of this, Ennore Port's share at Rs.6,466 crore was nearly half. Ennore Port, which is the first corporate port of the country, is also the newest port. The total investment by the private sector firms operating the Ennore Port through BOT has been around Rs 1100 crore. In addition the port is investing Rs300 crore in connectivity and harbour deepening projects.

Source(s): Oct 18, 2008.

http://www.domain-b.com/industry/Shipping/20081018_t_r_balu.html

Vallarpadam ICTT: Set to Make Kochi a Key Hub

The emergence of Kochi port as a transshipment hub for India will become a reality within a year as the construction work for the first phase of the international container transshipment terminal (ICTT) project is progressing rapidly at Vallarpadam. Vallarpadam, once developed, will make Kochi a key centre in the shipping world, thereby reducing India's dependence on foreign ports for transshipment.

The ICTT project will be the largest single player among the container terminals planned in India and the first to operate in a SEZ. One of the essential requirements of a hub port is that it should be adjacent to the trunk sea trade route for the minimum diversion of mother vessels, so as to reduce unproductive voyage and port time. Kochi, being adjacent to the trunk sea trade route and linked to the hinterland through a well-developed system of national highways and rail connections, is an ideal location for the development of hub trade.

The ICTT project, which will be set up on 115 hectares of encumbered land, is proposed to be developed in three phases. Phase IA will be developed with 600 metres of quay and is designed to handle one million TEUs. This phase is expected to cost Rs 1,300 crore and there has been a considerable increase in project costs due to cost escalations, said Mr Suresh Joseph, General Manager, DP World, Kochi . Later, Phase I B will developed by adding another 300 metres of quay with the capacity to handle additional half a million TEUs. The second phase will have 900 metres of quay and total quay length for the ICTT project would be 1,800 metres, with the capacity to handle 3 million TEUs.



A new 8-km electrified rail link with a capacity to carry 15 trains each way will connect Vallarpadam ICTT to the main lines of Southern Railway at Edappally. Likewise, the new 18-km four-lane National Highway provides surface connectivity to NH17 and NH47. While the first connects to the Konkan region, the latter connects to the growing hinterland in the South, Central and the East. Apart from this, the development of the coastal highway will provide additional access to the two national highways, thus ensuring 100 per cent road connectivity.

Source(s): V. Sajeev Kumar, The Hindu Business Line, Oct 27, 2008.

<http://www.thehindubusinessline.com/2008/10/27/stories/2008102750370600.htm>

SHIPBUILDING

S Korea Wins Half of World's Shipbuilding Orders: Ministry

South Korean yards won half of the world's shipbuilding orders in the first half of this year, strengthening the country's dominance in the industry, the government said. The Ministry of Knowledge Economy and the shipbuilding industry said yards secured orders for 12.40 million compensated gross tons, or 50.6 percent of the world total. It said overall global demand fell sharply compared to 2007 but the proportion of orders won by local companies increased.

In 2007 South Korea secured 38.9 percent of all orders placed against 37.3 percent for its main rival China. In the first half China's share dipped to 34.3 percent. Local experts quoted by Yonhap news agency said many shipping companies that wanted to place orders with Korean yards had turned to China in the past, because of huge backlogs here. They had started to return to Korea with the general drop in order volume. Shipbuilding is one of the country's top five export industries with the total value of overseas sales reaching 27.68 billion dollars last year. It has been the world's top shipbuilder since 2003 and is home to the world's five largest yards, led by Hyundai Heavy Industries.

Source(s): AFP, Sep 8, 2008.

<http://afp.google.com/article/ALeqM5iwyascBCWzqeNfcp5fD6sMZZhDMQ>

China's Shipbuilding Orders Account for Forty Percent of Global Total

China's shipbuilding industry received 98.45 million deadweight tons (DWTs) in new orders, accounting for 42 percent of the global total, said Zhang Guangqin, chairman of the China Association of the National Shipbuilding Industry (CANSI) on the Nantong Shipbuilding Industry Development Forum. He said China completed its 18.93 million DWTs in 2007, accounting for 23 percent of the global total. Experts estimate that China's total shipbuilding output will reach 24 million tons by 2015, or 35 percent of the global total, making China the No.1 shipbuilding country in the world.

Source(s): People's Daily Online, Sept 25, 2008.

<http://english.people.com.cn/90001/90776/6506308.html>

Private Firms to Make Warships

The defence acquisition council, approved five OPVs for the Navy last week, which will be procured through the "make" category of the defence procurement policy of 2008. In a marked departure from the past, this time the options will not be limited to State-owned dockyards under the defence ministry. Private players are being pursued to bid for the request for proposal (RFP), which is expected in four months. Three private ship building yards — the Pipavav Shipyard Limited, ABG Shipyard Limited and L&T Shipyard are being scrutinised for building naval vessels. Last month, Naval Chief Admiral Sureesh Mehta inspected the facilities at Pipavav shipyard, which is in the process of registering itself with the Navy. ABG Shipyard too has built Coast Guard ships in the past. Opening its doors for private players, the Centre will allow private shipyards to manufacture five offshore patrol vessels for the Navy at a cost of Rs 5,000 crore. India's shipbuilding capability is saturated with shipyards booked to capacity. Still, there is demand for more warships and vessels from the Indian Navy, as large number of old vessels will be scrapped in the next five years. The defence ministry is also keen on shipbuilding cooperation with South Korea. The government is left with little options as the order books of all defence ports in Kolkata, Goa, Mumbai and Kochi are full. Though in the past, a Goa-based company Anderson Marine made a small fast attack craft for Navy and Coast Guard, this is for the first time private players are being lured to make large naval battleships fitted with weapons. To be procured during the 11th and 12th plan periods, the five OPVs are likely to replace some of the aged Sukanya class vessels.

Source(s): Kalyan Ray, Pakistan Defence &DH News Service, Sept 26, 2008.

<http://www.defence.pk/forums/indian-defence-military/14573-private-firms-make-warships.html>

SCI in Talks for Shipbuilding, Plans Freight Stations

State-run Shipping Corp of India Ltd is seriously planning a foray into shipbuilding and is in talks with domestic and overseas firms for a joint venture, Chairman and Managing Director S Hajara said on 29 Oct. "We are in talks with not only national but international shipbuilding organisations. More than that I can't reveal," Hajara said at the company's annual general meeting. "SCI is seriously contemplating getting involved in more than one shipbuilding greenfield project. We are convinced it's time to get into shipbuilding, which is sort of a backward integration for us," he added. The company, India's largest shipping services firm, also expects to set up container freight stations by end FY09, he said, but declined to give any financial details. For the eleventh five year plan ending 2012, SCI, which has a debt-equity ratio of 0.25 times, has a capex of Rs 150 billion.

Source(s): Reuters, Sep 29, 2008.

<http://in.reuters.com/article/businessNews/idINIndia-35710120080929>

Shipping Industry in Need of 'Integrated Port Development'

Considering various aspects of India's maritime industry like ports, shipping and logistics - though each one of them is big in itself, none of the sectors can survive in isolation. It is therefore not surprising that a logistics player is setting up a Container Freight Station at ports; private container terminal player is joining hands with a major port; a PSU is aligning with a private port authority and even an Indian container rail player is joining hands with international Container Terminal Player. The cumulative result of all these changes is a new trend - Integrated Port Development .Looking at an era where ports all across the globe have adopted zero-human-touch technologies. If the same things are done differently, more efficiently, more mechanically, one can imagine how much more cargo these ports could have handled besides ships spending lesser time at the port. The biggest advancement in the field of ports today is the growing containerization and the resultant technology changes. With more and more bulk cargo getting stuffed into containers, more cargo can be now moved using less manpower and man hours.

Source(s): Oct 03, 2008

<http://news.moneycontrol.com/india/news/business/shipping-industryneedintegrated-port-development/16/37/359614>

Asian Shipyards Face Prospect of Bankruptcy

Asian shipbuilders face an abrupt downturn in demand that could result in some yards going bankrupt as ship owners cancel or postpone orders, according to executives, bankers and analysts. The problems could be particularly acute in China, which is now challenging South Korea as the world's leading shipbuilding nation but where many of the new yards are privately owned and rely on additional funding for their expansion.

The shipbuilders' problems stem from those of both the shipping and banking sectors, as a slowdown in trading is compounded by the inability or reluctance of banks to extend financing for orders. The Baltic Dry Index (BDI), the global benchmark for the cost of shipping commodities, has slumped to a quarter of its level four months ago. "We [see] banks withdrawing financing options for new ships," said Arthur Bowring, managing director of the Hong Kong Shipowners' Association. "To have built up such a large shipyard capacity is quite worrying in such doubtful economic times." Asian shipyards filled their order books until 2011 on the back of a decade-long Asian economic boom. That still provides a cushion for larger and more efficient yards, but some Chinese fledgling companies now scramble to put refund guarantees in place to secure contracts.

As many as seven Chinese shipbuilders had earmarked initial public offerings to fund their rapid growth. Some have instead been seeking hundreds of millions of dollars in institutional funds, bankers say. However, banks are adding stringent covenants when financing vessels, as well as lowering the advance rate of their financing to about 60 per cent of shipbuilding costs from about 80 per cent. Analysts also point to an abrupt slump in the second-hand market. Second-hand ships had been trading at a premium to new buildings because of the long lead time before delivery. Last month, however, prices for vintage dry bulkers fell as much as 40 per cent, according to Christoph de Buys Roessingh, founder of Roland Capital, a shipping consultant.

Source(s): Raphael Minder and Du Juan, Oct 6, 2008.

http://www.ft.com/cms/s/0/28c68b82-93c2-11dd-9a63-0000779fd18c.html?nclick_check=1

BAE Plans to Foray Into Ship Building in India

UK defence equipment manufacturer BAE is looking beyond aerospace joint ventures in India, with plans to enter the shipbuilding sector as well. Systems India, subsidiary of the BAE Systems, is planning a foray into shipbuilding besides expanding operations in India with more joint ventures and partnerships, a top company official told FE. "We are open to shipbuilding and will explore it. Our team will start working on it from the year end," Julian Scopes, the newly appointed president of BAE Systems India, said. "Infact a high level team from the ship building sector of the company will be visiting India shortly, and has an open agenda where we can seek cooperation with both public and private ship building companies.

"At the BAE we are willing to share our international experiences and expertise in the ship building and are open to areas of cooperation in design partnership, and future designs. We also want to share the technology used in the Type 45 Daring Class Anti-Air Warfare Destroyers currently in the backbone Royal Navy which based on the principle of "Design for Build", "Design for Cost" and "Design for Support"."

BAE has a partnership with the Hindustan Aeronautics Ltd (HAL) in Bangalore since 1983. Even though the government recently rejected the joint venture of 51:49 between Mahindra and Mahindra and BAE for building armoured vehicles in India, Scopes said that, "There has to be an economic incentive for a company to bring in their crown jewels. "We are prepared to invest our money and grow in India. For the company completion is not just restricted to specific programmes but specific sectors: like shipbuilding, artillery or armoured vehicles," he added. BAE is also working on more partnerships with the state-owned Indian firms involved in defence research and development. "We want to expand in India. We are now limited to selling Hawks and linked to other smaller programmes concerning defence sector," Scopes said.

Source(s): Oct 24, 2008.

http://www.yourshipbuildingnews.com/bae+plans+to+foray+into+ship+building_13689.html



Piracy attack will result in extra costs for shippers

Shipping companies from Asia-Pacific plying the Far East-Europe trade will have to bear an extra 3,501 nautical miles if they avoid using the infamous pirate-infested Gulf of Aden. The extra distance is also expected to add to the costs of shipping firms if maritime crime in the Gulf of Aden is not promptly addressed. About 11% of the world's seaborne petroleum transportation pass through the Gulf of Aden to the Suez Canal or to other regional refineries in Europe. Gulf of Aden provides the shortest maritime route from the Far East to Europe.

Vessels that opt for an alternative journey will have to pass the Cape of Good Hope, and that will add 12 to 21 sailing days depending on the type of vessel and speed travelled. The passage from Port Kelang to Rotterdam using the Suez Canal and passing the Gulf of Aden would take about 25 days on a ship navigating at 13 knots.

"Using the Cape of Good Hope would increase the sailing days by about 12 days approximately through a distance of 11,590 nautical miles at the same speed," he said. Besides longer journey and extra cost, vessel transiting the Cape of Good Hope would also suffer adverse weather condition at the southern tip of South Africa.

Source(s): Sharidan M. Ali, *The Star*, Sept 8, 2008.

<http://thestar.com.my/maritime/story.asp?file=/2008/9/8/maritime/1952036&sec=maritime>



Shipping Industry Held Hostage by High Seas Piracy

Pirates there have hijacked around 30 ships this year and the ransom demands have skyrocketed. When pirates hijacked a freighter off the coast of Somalia last week of Sept, they hit the jackpot. The Ukrainian ship was laden with weaponry, ammunition and 33 Russian tanks. The heavily armed pirates are now holding the ship's 20 crew members hostage and are demanding \$US20 million (\$25.7 million) in ransom. Director of the International Maritime Bureau, Captain Pottengal Mukundan, says the "unprecedented and serious" situation is compounded by the lack of strong institutions in Somalia. "The question is what do ship owners do in this kind of a situation?" he said. "They have no-one to turn to in Somalia for help. The Government does not function, and there is no other agency which is prepared to help them get their vessels back." This lack of assistance means that shipping companies are left to negotiate on their own, and this puts the pirates in a strong bargaining position. "The choice for them [shipping companies] is quite stark; either they abandon their crew members, or they negotiate and pay a ransom," Captain Mukundan said. "Every vessel that we are aware of that has been released from Somalia has, unfortunately, resulted in the payment of a ransom to get the vessel out." Somali pirates are now holding 12 ships captive, with 259 crew members being held hostage. Roger Middleton from the London based think-tank Chatham House, has just published a report on the cost of piracy off Somalia. He estimates around \$30 million in ransom money has been paid to Somali pirates this year, making piracy a very profitable business.

Source(s): ABC, Oct 4, 2008.

<http://www.abc.net.au/news/stories/2008/10/04/2382153.htm>

Call for Efforts to Make S'pore a Maritime Hub

Realising that it's no longer enough to be just the world's busiest port, Singapore is gearing to be the regional hub for maritime research and development, finance, risk management and law. 'While the port is important, other countries are also developing their capabilities. Also new technology will allow some vessels to bypass Singapore,' said Jude Benny, managing partner of Joseph Tan Jude Benny. There are many reasons why shipping and offshore companies establish a presence in Singapore, or take advantage of the Maritime and Port Authority's (MPA) various incentive schemes for alternative financing or raising capital. Chief among these is the support received from the government. International shipowning and ship-operating companies and ship agencies, ship management, international freight forwarders and international logistics operators are given various tax breaks under the Approved International Shipping Enterprise Scheme and Approved Shipping and Logistics Scheme respectively.

'The shift to Asia, with 50 per cent of tonnage owned by Asia, presents a perfect opportunity to offer Singapore as a location for owners to operate from,' noted Mr Benny. 'To make it attractive to them we need to give them the related services, so that they need not have to go back to Europe in search of these,' he said. These include an educated workforce, financial markets, infrastructure and other facilities. Singapore has all these factors and is also putting in serious efforts with the help of the government to develop them even further. The \$80 million Maritime Cluster Fund is the broad umbrella under which all these incentives and development efforts fall. They seek to enhance maritime manpower development as well as to develop local training infrastructure and capabilities.

Source(s): Vincent Wee, *The Business Times*, Oct 16, 2008.
<http://business.asiaone.com/Business/News/SME+Central/Story/A1Story20081016-94189.html>

Global Storm Hits China's Sea-Commerce

The stunning growth at China's shipbuilders, shipping lines and ports over the past few years is juddering to a halt as cash-strapped US consumers cut demand for Chinese goods and banks balk at lending to potential customers. A weather gauge for the industry, the Baltic Exchange Dry Index, has dropped like a barometer in a typhoon as slowing international trade has left too many ships seeking business from too few customers. The measure, which tracks sea freight prices for commodities such as coal, hit a five-and-a-half year low last week, down 87% from a record in May. Carriers hauling iron ore from Australia to feed Chinese steel mills run by Shougang Corp, Jiangsu Shagang Group and other industry giants face a drop in seaborne iron trade of as much as 10% as steelmakers cut production, according to JP Morgan Securities analyst Johnson Man Leung.

The global economic slowdown will push some shipping lines into bankruptcy, investor Marc Faber said during a shipping conference in Singapore on October 14, Reuters reported. A glut of new vessels is adding to woes, with Goldman Sachs estimating that this may help drive shipping fees down 40% next year and 47% the year after, according to the July 28 Reuters report. Even where traders have goods they want to transport, many are struggling to persuade banks to grant guarantees of payments for the goods. Such letters of credit and other credit lines for trade are frozen, Bloomberg reported last week, citing the managing director of an Asia-based shipping company. "Nothing is moving because the trader doesn't want to take the risk of putting cargo on the boat and finding that nobody can pay," the executive said.

Source(s): Chris Stewart, *Asia Times*, Oct 21, 2008
http://www.atimes.com/atimes/China_Business/JJ21Cb01.html

MARITIME COOPERATION

Yemen to Establish Three Regional Anti-Piracy Centers

The Yemeni government approved on Sept 9th the establishment of three regional centers to combat maritime piracy in the Gulf of Aden and Bab Al-Mandab Strait. The government declared that the three centers would be established in the Aden, Mukkalla and Hudeidah governorates and claimed international support for these centers that will work to "enhance security and stability in the region and protect different ships from piracy."

On Sep 07, Yemeni Maritime Forces were able to foil an attempted pirate attack on a Saudi trade ship in the international waters of the Strait of Bab Al-Mandab. The ship was 43 km away from the Yemeni coastline. Since the beginning of the year, over 34 ships, tankers and yachts have been hijacked in the region of the Horn of Africa and in the Gulf of Aden. Eight of these piracy acts have taken place since July and have aimed to seize goods and kidnap crews of the ships in order to demand ransom.

Source(s): Aqeel Al-Halali, *Yemen Times-SANA'A*, Sept 10, 2008.
<http://yementimes.com/article.shtml?i=1189&p=front&a=1>



India, Bangla Talks on Maritime Boundary Ends in Stalemate

As per the rules drawn up by Sir Cyril Radcliffe for demarcating the border when India was partitioned and Pakistan was created in 1947, if there is a river on the border, then the mid-current of the river will be the borderline. Since its emergence in 1971, Bangladesh has been identifying its border according to the Radcliffe rules. Bangladesh officials claim that the main channel of the Hariabhangra river flows through the west side of South Talpatty while their Indian counterparts claim the eastern channel is the main flow. The island is still in formation, visible only during low tides, emerging in the estuary of the Hariabhangra river, the bordering river in the south-western part of the country.

The northern reach of the Bay of Bengal is shared by India, Bangladesh and Myanmar. While India is both conducting its off-shore operations and allocating blocks for exploration to foreign multinationals, the latter approach is adopted by Bangladesh and Myanmar too. In recent years, claims of overlapping territories have piled up with the three, particularly Bangladesh and India, challenging each other's decisions.

Source(s): Sindh Today, Sep 16th, 2008.

<http://www.sindhtoday.net/south-asia/21046.htm>

The News, Sept 17, 2008.

<http://news.in.msn.com/international/article.aspx?cp-documentid=1666850>

Thailand Embarks on Maritime Security Cooperation

Thailand joined the Malacca Straits Patrol agreement along with Indonesia, Malaysia and Singapore to conduct joint sea and air patrols beginning next year. A few days before his retirement, Thai Supreme Commander General Boonsang Niempradit signed two agreements: the Terms of Reference (TOR) and the Standard Operation Procedures (SOP). The cooperation would enable Thailand to participate in patrolling international shipping routes in and around the Straits of Malacca. Boonsrang said that the Straits are a vital life line of much of the world trade, especially for industrialised countries like Japan and South Korea. Each year, one-third of the world's trade and half of the world's oil supply are carried through the Straits by about 95,000 vessels.

Four years ago, the three littoral states began to work together on the Malacca Straits sea patrols for safety of seaborne passages and to fight against increased piracy activities. In the 1990's the Straits were plagued by piracy. Their joint efforts have since reduced the number of piracies in high seas. Last year, there was only one incident. Previously, Thailand has never considered itself as part and parcel of littoral states along the Straits even though the country shares maritime territorial waters and long coastal lines with Malaysia, Indonesia, Burma and India that encompasses the Bay of Bengal. Recent interests shown by extra-regional powers have encouraged the Thai navy to raise its profile. Throughout Thai history, the Royal Thai Navy (TRN) has paid attention only to surveillance of the Andaman Sea, concerned mostly with protection of the Thai fishing fleet and dissuading the arrival of refugees from Burma and nearby Bangladesh. In the past two years, thousands of Rohingya refugees have successfully sneaked into Thailand's eastern coastal provinces through extensive human trafficking operators.

Source(s): Kavi Chongkittavorn, Nation Multimedia, Oct 6, 2008.

http://nationmultimedia.com/2008/10/06/opinion/opinion_30085175.php

US and Vietnam Hold Defence, Security Talks

United States and Vietnam on Monday(Oct 6) discussed possible areas of future military cooperation in their first Strategic Dialogue on Political, Security and Defence Issues, officials. "We focused on a wide range of areas in which we can strengthen our relationship jointly," US Assistant Secretary of State for Political-Military Affairs Mark Kimmitt told a Hanoi media briefing after the talks.

"We discussed areas of mutual interest including international peacekeeping operations, humanitarian assistance and disaster relief, maritime security and the prevention of the proliferation of weapons of mass destruction." The talks, which are set to be held annually, follow a number of US naval visits and other military diplomacy between the countries that resumed full ties in 1995, twenty years after the end of the Vietnam War. Hanoi has sought to balance its relations with large neighbour and communist ally China, and with the United States, now a key economic partner. As it has reintegrated with the Asian region and the world, Vietnam, currently a non-permanent UN Security Council member, has stated its willingness to deploy peacekeepers to conflict areas in future. "With a view to contributing to peace and stability in the world, we have many times stated that Vietnam are finalising procedures in participating in peacekeeping operations," said Standing Deputy Foreign Minister Pham Binh Minh.

Source(s): AFP, Oct 6, 2008.

http://afp.google.com/article/ALeqM5jORH78yH69lXbZpLrZ_6OebRqoQ

India, Singapore Review Defence Cooperation

India and Singapore have concluded a two-day defence dialogue to take stock of their growing military ties, assess threats to stability in the region and share security concerns. Indian defence secretary Vijay Singh and his Singaporean counterpart, permanent secretary-defence Chiang Chie Foo, led the two sides at the fifth round of the India-Singapore Defence Policy Dialogue, which ended here Wednesday(Oct 8).The policy dialogue was set up under a 2003 India-Singapore defence cooperation agreement with the meetings to be held alternately in the two countries.

“The annual dialogue serves as a forum for Singapore and India to oversee and advance the bilateral defence relationship,” the Singapore ministry of defence said. Defence ties between India and Singapore have been growing steadily over the past few years, expanding in scope and intensity with numerous rounds of joint exercises involving their land, sea and air forces. The annual defence policy dialogue provides Indian and Singaporean officials an opportunity to review the status of their defence relationship, identify future areas of cooperation and share mutual security concerns. In 2007, India had signed an agreement with Singapore allowing the air force of the land-scarce city state to train its personnel at the Indian Air Force base in Kalaikunda in West Bengal. The two navies have conducted joint anti-piracy exercises around the Straits of Malacca and the Bay of Bengal aimed at protecting commercial sea lanes and enhancing maritime security. Apart from the joint exercises and manoeuvres, more importantly, the defence establishments of the two sides have kept up a regular dialogue sharing strategies on counter-terrorism and maritime security. Also, the two military research and development organisations - India’s Defence Research and Development Organisation (DRDO) and Singapore’s Defence Science and Technology Agency (DSTA) - have been involved in defence technology cooperation.

Source(s): IANS, Oct 9, 2008. -

http://www.thaindian.com/newsportal/uncategorized/india-singapore-review-defence-cooperation_100105189.html

Iran-India Port and Shipping Cooperation Reviewed

Fourth joint meeting on port and shipping cooperation between Iran and India was held with the aim of expanding collaboration, particularly in the field of marine transportation, IRNA reported. Director general of Ports and Shipping Organization for transit and tariff affairs, Mohsen Sadeqifar told IRNA on Sunday that the meeting dealt with ways to develop North-South Corridor, exchange experience in the ports and shipping sectors and support Iran's and Indian shipping companies.

Discussions also included signing sister port agreement between Iran's Martyr Rajaei Port and Jawaharlal Nehru Port in India, investing in and upgrading Russia's Astrakhan Port on the Caspian Sea. Meanwhile, establishing a shipping line from India to Astrakhan via Martyr Rajaei Port was discussed at the event. Describing Iran-India cooperation as excellent, Sadeqifar further said that Iran imports \$ 1.5 bln worth of goods from India while exporting commodities valued at \$ 150 mln to that country. The official further said, "Given the capabilities of the two sides, we expect cooperation to exceed the current level." Currently, India's transactions with Central Asian countries and Russia are higher and a large portion of this is expected to be conducted through Iran, he said. Stating that Iran, Russia and India are among the main members of the corridor, Sadeqifar also said that currently, some 15 countries have joined the grouping as secondary members. Commenting on Iran's shipping and port cooperation with other countries, he noted that it has signed agreements in the sector with 40 countries, of which 26 have been finalized with the rest are at the negotiation stage.

Source(s): Iran Mania, Oct 20, 2008.

<http://www.iranmania.com/News/ArticleView/Default.asp?NewsCode=62446&NewsKind=Current%20Affairs>

MARITIME SECURITY

Major Ports Vulnerable to Terror Strike: Review

An expert group of the shipping ministry has recommended setting up a national agency to oversee port security, warning that all major harbours in India are vulnerable to terror attacks. This follows a review of port facilities in the country concluded six months ago. An official who was part of the security review said the most glaring lacuna in the security system at these ports was that only the Jawaharlal Nehru Port Trust in Navi Mumbai had installed X-ray machines to scan cargo containers. “This is a major cause for concern as countries such as the US and other European nations require inspection of each and every container that enters the country,” the officer said.

There have been instances where suspected terror outfits have sought to test the capabilities of security systems at ports, the official said. For instance, a random inspection of a container at a port in southern India that the official did not wish to identify revealed a cache of toy guns concealed in furniture. “Similarly, arms and ammunition and fake currency, too, have been seized at some of the important ports in the country,” the official said, without elaborating.

The security review committee, which was formed last year, has recommended the shipping ministry sets up a department on the lines of the Bureau of Civil Aviation Security that would initiate measures to bolster security across ports in the country.

Source(s): K.P. Narayana Kumar, Live Mint, Sep 15 2008.

<http://www.livemint.com/2008/09/15223623/Major-ports-vulnerable-to-terr.html>

Iran: Revolutionary Guards Patrolling Gulf Region

A former general with Iran's Revolutionary Guards, now military advisor to Supreme Leader, Ayatollah Ali Khamenei, has announced that the Revolutionary Guards have been tasked with patrolling the Persian Gulf and protecting ports in the south of the country. The armed forces, who were until now involved in the defence of the country's maritime borders, have been removed and the navy is only been deployed on the northern maritime boundary of the Caspian Sea.

The decision was taken after news that other foreign navies, particularly the US Navy, was headed towards the Persian Gulf. "The US fleet is afraid of the fast ships of the Revolutionary Guards and their capacity for immediate reactions to every violation in our national waters," said Rahim Safavi. In the past 12 months, the Revolutionary Guards' ships have come close to US ships in international waters several times and on more than one occasion they narrowly avoided an accident at the last minute. Rahim Safavi has also announced that the Revolutionary Guards' missiles cover the entire region of the Persian Gulf. "No vessel can navigate this area without coming in sight of our missiles," he said. In June, the leader of the Revolutionary Guards, Mohammad Ali Jaafari, had threatened the closure of the Strait of Hormuz through which 40 percent of the world's oil passes, if Iran was attacked.

Source(s): Aki, 16 Sept, 2008.

<http://www.adnkronos.com/AKI/English/Security/?id=1.0.2488913051>

Military Can't Guarantee Safety Off Somalia: US Navy

The U.S. Navy said on Monday (Sept 22) allied warships were doing all they could to thwart piracy in the strategic Gulf of Aden, but shipping companies should take their own measures to protect their vessels and crews. The warning came as it emerged Somali pirates had hijacked another vessel off the Horn of Africa on Sunday, bringing the total seized so far this year to more than 30.

The U.S. Navy said the international naval force CTF-150 had stopped more than 12 attacks since May. CTF-150 comprises of warships from nations including Britain, France, Canada, Germany, Pakistan and the United States. "The coalition does not have the resources to provide 24-hour protection for the vast number of merchant vessels in the region," said Combined Maritime Forces commander, U.S. vice admiral Bill Gortney. "The shipping companies must take measures to defend their vessels and their crews," he said in a statement, urging merchant ships to employ their own security teams.

Source(s): Reuters, 22 Sep 2008.

<http://africa.reuters.com/top/news/usnBAN255215.html>

China's Submarine Fleet Projects Beijing's Power

The detection of China's naval presence in the territorial waters of Japan heralded a new thinking in region that China is flexing its muscle in the surrounding waters. The Chinese submarine sped off, immune from attack, revived a sharp debate in Japan about the constraints on the military at the time of a substantial arms race in Asia.

The Japanese believe, after talks with United States allies, that the submarine was Chinese and part of a now large naval force Beijing has been building and deploying in recent years to back its claim to be a regional power. Indeed, Beijing has put special emphasis on creating a large and sophisticated submarine fleet as the cheapest and most effective way of projecting power well beyond China's coastal waters.

China's submarine fleet is now one of the world's largest with nearly 85 vessels. More than that, old and unreliable boats mostly acquired from the old Soviet Union are being rapidly replaced by modern submarines armed with highly sophisticated anti-ship missiles and radar-dodging cruise missiles able to attack land targets. Beijing is even building at least five ballistic missile submarines, each carrying 12 intercontinental missiles and each missile having three nuclear warheads.

Meanwhile Japan has 16 submarines and no plans to build more and the American Pacific Fleet has 35 submarines, the world's most modern. Beijing's emphasis on naval construction in recent years raises many eyebrows among military planners in Asian and Pacific Ocean nations because the intentions behind this huge investment in military power are so unclear.

It was again a central topic at the Maritime Security Challenge '08 conference of experts on Asian naval issues organized by Canada's Maritime Forces Pacific at Victoria last week. At first the supposition was that Beijing's naval expansion aimed at backing its threats to invade and capture the independent nation state of Taiwan. But the development of China's navy, both of surface warships and submarines, has now gone well beyond what is necessary to invade Taiwan and deter the island's main ally, the U.S., from rushing to its aid.

The vulnerability of the U.S. navy to attack from Chinese submarines was demonstrated with stark clarity in October 2006. A Song-class diesel-electric submarine shadowed a U.S. battle group led by the aircraft carrier Kitty Hawk and was only detected when it surfaced close to the carrier to reveal its presence. That incident undermined the confidence with which U.S. strategists always talk about the superiority of their naval technology. So does the coming into operation earlier this year of a massive submarine base hollowed out of the cliffs of China's Hainan island in the South China Sea. The base at Sanya can house about 20 submarines and the entrance is so large they can leave and return submerged so as to be undetectable by satellites.

The base comes into operation at a time of increased tension between Beijing and other countries, especially Vietnam, around the South China Sea. Beijing claims most of the sea is Chinese territorial waters, and therefore it owns the resources underneath it. Beijing's determination to project power goes well beyond its claims to the South China Sea, however. China's economic well-being and therefore its internal security is now wholly dependent on sea-borne trade. And most of that trade, especially vital imports of oil, come across the Indian Ocean and through the South China Sea. This has brought China's navy face-to-face with regional rival India, which is rapidly developing its own substantial maritime force.

Source(s): Jonathan Manthorpe, Vancouver Sun, Sept 26, 2008.

<http://www.canada.com/vancouver/news/editorial/story.html?id=1931596c-f0e4-4945-a3da-42f3735da197>

Govt Committed to Enhance Combat Potential of Pakistan Navy: PM

Prime Minister Syed Yousuf Raza Gilani on Monday, Sept 29, said despite financial constraints the government is committed to providing the necessary hardware needed to enhance the combat potential of the Pakistan Navy. "I am cognizant of the vital role being played by the Navy in protecting our national maritime security. Critical shortcoming in this respect, if any, will be addressed on priority", Gilani said. The Prime Minister said he was also aware of the long lead time in realizing naval projects and cost of acquiring modern technologies. "Therefore, my endeavour will be to make steady progress over the next five years", he added. Pakistan Navy, the Prime Minister said, continued to play its due role in the face of emerging challenges and foreign policies of Pakistan. He said Pakistan Navy during the preceding three years was adequately trained and structured to pursue our defence policy objectives, safeguard maritime interests and tackle the contemporary security challenges.

Source(s): APP, Sep 29, 2008.

http://www.app.com.pk/en /index.php?option=com_content&task=view&id=54336&Itemid=2

The Impact of Future Asian Naval Policy on The Gulf

The Chinese navy (PLAN) is rapidly moving from being a coastal navy to a formidable sea going force. Backed by its "String of Pearls" strategy, Beijing plans to project naval power across multiple regions deemed to be of critical interest. Despite heavy dependence on Middle Eastern energy, China has no apparent strategic presence in the region. On the other hand, the US has utterly dominated the waters of the Gulf for decades. This leaves the Chinese economy increasingly vulnerable as more and more China-bound energy supplies from the Middle East pass right under the noses of US forces on a daily basis. If the US continues to dominate the Gulf waters in the coming decades, China's SLOCs could be compromised in the event of a confrontation between the two powers. Although Sino-American conflict is unlikely, it remains plausible: Taiwan continues to be an unresolved issue for Beijing, as well as a source of great suspicion about American intentions. When the White House recently sought permission from Congress to supply Taipei with a large arms package estimated to be worth \$6 billion, which includes guided missiles and attack helicopters, Beijing responded by canceling several senior-level visits and military-to-military plans.

Source(s): Sabahat Khan, The Daily Star, Oct 20, 2008

http://www.dailystar.com.lb/article.asp?edition_id=1&categ_id=2&article_id=96925

NATO Warships Ready to Tackle Piracy off Somalia

NATO warships are in place off the Somali coast to tackle rampant piracy in the waters and are ready to escort UN aid vessels under threat, a spokesman for the alliance's naval command said. "The boats are in the area. They have started their deterrent role," a spokesman at NATO's naval command in Naples, Italy said by telephone. The ships - an Italian destroyer and British and Greek frigates which form NATO's operation Allied Provider - "may use force" under their rules of engagement and in line with international law, a statement said. They will help escort UN World Food Program (WFP) food shipments, whose cargo is a tempting target for pirates, until the European Union can launch its own operation, probably in December.

The WFP ships 30,000-35,000 tonnes of aid into Somalia each month. A maritime watchdog said that Somali pirates were now responsible for nearly a third of all reported attacks on ships, often taking hostages and using high levels of violence. NATO's top commander, US General John Craddock, said the operation is proof of the military alliance's ability to rapidly react to crises around the globe. It "signifies NATO's continued relevance and willingness to 'step in' and 'step up' to threats of all descriptions - in this case the persistent threat of piracy," he said in a statement from his headquarters in Mons, Belgium.

Source(s): Oct 24, 2008.

<http://www.abc.net.au/news/stories/2008/10/24/2400939.htm?section=justin>

Navy Seeks Role in Private Ports to Counter Maritime Threats

Although noblemen were not trained for naval warfare, which, unlike fighting on land, was not considered a noble pursuit, naval operations were an important part of the Hundred Years War. The English, being the aggressors, required ships to transport men, supplies, and equipment, as well as to control sea lanes and defend coasts against raiders. The French, attempting to resist invasion, needed vessels that could intercept enemy fleets and launch swift, destructive raids on enemy shores. While navies only became vital components of European military establishments in the sixteenth century, the Hundred Years War laid the groundwork for that development in both England and France, neither of which had real navies before 1300. During the war, both kingdoms developed ships and fleets suited to their particular needs, as well as the facilities and administrative support required to maintain naval forces.

Source(s): Zee News, Oct 31

<http://www.zeenews.com/Nation/2008-10-31/480105news.html>



MARINE ENVIRONMENT

China Holds First Int'l Drill to Curb Marine Pollution

China has called for closer co-operation with its neighbors to protect the marine environment from the growing risk of oil spills due to booming transportation of the resource. The call came Tuesday(2 Sept) as the country held its first international drill against oil spills with South Korea. The joint drill off the coast of Qingdao involved more than 500 people, one helicopter, one fixed-wing aircraft and 29 vessels - including two from South Korea. Zhong Xiaodong, deputy coordinator of the Northwest Pacific Action Plan under the United Nations Environment Program's Regional Sea Program, said China, Japan, South Korea and Russia should step up cooperation to curb marine pollution caused by oil spills.

"The Northwest Pacific region is currently one of the seas with the highest risk of oil spills," he told China Daily. "This is because China is now one of the world's top oil importers, while Japan and South Korea are also major importers," he said. Currently, oil is mostly transported by ship. An average of 400 oil tankers sail to and from China every day. Last year, 320 million tons of crude oil were unloaded at coastal harbors, according to the Ministry of Transport. The growing shipping industry has increased the likelihood of maritime accidents and oil spills, said Liu Gongcheng, executive deputy director of China Maritime Safety Administration. Between 1973 and 2007, China has witnessed 79 accidents involving the spillage of at least 50 tons of oil.

Source(s): Xin Dingding, China Daily, 03, Sept, 2008.

http://www.chinadaily.com.cn/china/2008-09/03/content_6992448.htm

Ocean Littering Will Likely Worsen

A report mandated by the U.S. Congress says current measures to prevent and reduce marine debris are inadequate and the problem will likely worsen. The National Research Council, which conducted the study, urged the United States and the international maritime community adopt a goal of "zero discharge" of waste into the marine environment, and said a system to assess the effectiveness of existing and future marine debris prevention and reduction actions should be implemented. "The committee found that, despite all the regulations and limitations over the last 20 years, there are still large quantities of waste and litter in the oceans," said University of Alaska Professor Keith Criddle, who led the study. "We concluded the United States must take the lead ... to better manage marine debris and try to achieve zero discharge." The researchers said manmade materials that intentionally or accidentally enter and pollute the ocean can cause significant harm to wildlife, present a health and safety hazard to beach-goers and divers, as well as impacting coastal recreation and tourism revenue.

Source(s): UPI, Sept 23, 2008

http://www.upi.com/Science_News/2008/09/23/Study_Ocean_littering_will_likely_worsen/UPI-74311222195214/

Hundreds of New Marine Species Discovered: Australian Scientists

Hundreds of new marine species and previously uncharted undersea mountains and canyons have been discovered in the depths of the Southern Ocean, Australian scientists said Wednesday (Oct 8). A total of 274 species of fish, ancient corals, molluscs, crustaceans and sponges new to science were found in icy waters up to 3,000 metres (9,800 feet) deep among extinct volcanoes, they said.

The scientists mapped undersea mountains up to 500 metres high and canyons larger than the Grand Canyon for the first time, the government's Commonwealth Scientific and Industrial Research Organisation (CSIRO) said. The finds were made in marine reserves 100 nautical miles south of the Australian island of Tasmania during two CSIRO voyages in November 2006 and April 2007 using new sonar and video technology as well as seafloor sampling. Announcing the discoveries in the Tasmanian capital Hobart, CSIRO scientist Kate Wilson said more was known about the surface of Mars than the depths of the world's oceans.

Source(s): AFP, Oct 8, 2008.

http://www.breitbart.com/article.php?id=081008131848.agfcky9e&show_article=1

One Third of Fish Caught Worldwide Used as Animal Feed

One-third of fish caught in the world's oceans is ground up for animal feed, a potential problem for marine ecosystems and a waste of a resource that could directly nourish humans, scientists claim. The fish being used to feed pigs, chickens and farm-raised fish are often thought of as bait, including anchovies, sardines, menhaden and other small- to medium-sized species, researchers claim in a study to be published in November in the Annual Review of Environment and Resources.

These so-called forage fish account for 37 per cent, or 31.5 million tonnes, of all fish taken from the world's oceans each year, the study said. Ninety per cent of that catch is turned into fish meal or fish oil, most of which is used as agricultural and aquacultural feed. Ellen Pikitch, executive director of the Institute for Ocean Conservation Science and a professor at Stony Brook University in New York, called the numbers "staggering." Forage fish are near the base of the marine food web, nourishing larger fish, ocean-dwelling marine mammals and sea birds, especially puffins and gulls, the study said. Unlike fish such as tuna, swordfish and cod, the catching of forage fish is largely unregulated, Pikitch said. Excessive removal of these small fish from the ocean environment could hurt the species that feed on them. Aside from the potential ecological consequences, the taking of these large numbers of forage fish interferes with food security for humans, she said. On average, it takes three to five pounds (1.36 to 2.27 kg) of fishmeal to produce one pound (0.45 kg) of farm-raised fish, Pikitch said.

The study is the product of a nine-year partnership between the University of British Columbia in Vancouver and the Pew Charitable Trusts, funded by the Pew Institute for Ocean Science, which is transitioning to become the Institute for Ocean Conservation Science at Stony Brook.

Source(s): Oct 29, 2008

<http://www.telegraph.co.uk/earth/main.ihtml?xml=/earth/2008/10/29/eafish129.xml>



MARINE TECHNOLOGY

Researcher Invents Marine Defence System

A system for protecting vital marine-based facilities such as oil and gas rigs from terrorist attack has been invented by a researcher at the University of Ulster. Colin Hillis, from the Faculty of Art, Design and the Built Environment, has applied for a patent for the system which involves placing an array of small unmanned units in defensive positions around the facility to be protected. The units consist of a submerged platform which can be located on the sea bed, connected to a float filled with sensors.

The submerged platform would contain lethal or non-lethal defence weapons capable of destroying or disabling attack craft picked up by the sensors. Mr Hillis said it would offer layered security to maximise protection of large marine assets. He said: "Marine assets such as oil and gas rigs, windfarms, stationary vessels or even coastal refineries are obvious targets for terrorists in the modern world. "The traditional method of protecting them by deploying physical resources is very labour intensive, expensive and not always effective as demonstrated in an attack on the Bakr and Khawr Al Amaya oil terminals in 2004.

"My system would be remotely controlled and activated and would use a range of measures quickly and effectively to disable small attack craft who enter the exclusion zone around the facility." Mr Hillis said the defence units could be placed in positions around the marine asset or could be self-propelled into position using global positioning technology. The devices would automatically detect any vessels entering the area around the asset and could be disabled to allow legitimate craft such as supply ships into the exclusion zone.

Source(s): The Press Association, Sep 15, 2008.

http://ukpress.google.com/article/ALeqM5hJtQwtW5Ogljy_ZTeudVekidoCw

Concordia Maritime, Total and MAN Diesel in Joint Energy Savings

Concordia Maritime (STO:CCORB) and French energy company Total have jointly taken the decision to install MAN Diesel turbochargers with the company's new VTA variable turbine area technology aboard a new tanker. The turbochargers with VTA technology will equip the MAN B&W brand low speed engines aboard the new P-MAX tanker Stena Progress, which will be delivered June 2009. On the basis of earlier trials, they are expected to reduce fuel consumption by around 2-3% with parallel reductions in exhaust emissions. "We are always interested in new energy saving technologies," noted Hans Noren, President, Concordia Maritime. "It has been tested onboard our ship Stena President with very positive results and, as a consequence, we and our customer Total have decided to install VTA turbochargers onboard the Stena Progress." Concordia Maritime is an international tanker shipping company listed on the OMX Nordic Exchange in Stockholm.

Stena Progress is a 65,200 DWT shallow draught ice class tanker of the P-MAX type under construction for Concordia Maritime at the Brodosplit shipyard in Split, Croatia. It is due for delivery in June 2009 and will be chartered to Total for 5 years. MAN Diesel type TCA55V turbochargers will be used on the two MAN B&W brand six cylinder type 6S46MC-C low speed main engines aboard the Stena Progress and other P-MAXs. As stated, field testing was carried out onboard the Stena President and MAN Diesel reports that the results of the trials have exceeded expectations, leading Concordia Maritime to the decision to equip the engines of other P-MAXs with VTA turbochargers. Owner Concordia Maritime, Commercial Manager Stena Bulk and Total on the Charterer side -- have expressed their enthusiasm for both the reduced fuel consumption and reduced emissions of the ships with VTA turbocharging.

Source(s): Business Wire ,Oct. 17, 2008

<http://www.marketwatch.com/news/story/concordia-maritime-total-man-diesel/story.aspx?guid=%7B85E8253E-157D-470A-9BF6-3968BC0351BA%7D&dist=hppr>

New Technology to Check Fishermen from Straying into Pak Waters

Even as an official delegation from Gujarat is camping in Karachi to secure the early release of as many as 369 fishing boats seized by the Pakistan Maritime Security Agency, the state Government has decided to introduce a vessel tracking and warning system to avert frequent incidents of fishermen straying into Pakistani waters. The advanced technology system will be jointly implemented by the Gujarat Maritime Board (GMB) and the state Fisheries Department. The GMB will provide Rs 40 crore while the Fisheries Department will chip in with Rs 28 crore, for the project. "We have asked the GMB to purchase the vessel tracking and warning system immediately after the current process of finalising technical specifications by the Board is over. The government plans to introduce this state-of-the art system at the earliest," said Gujarat Ports and Transport Secretary H K Dash. The system, when introduced, will not only help check frequent incidents of Gujarati fishermen straying into Pakistani waters, but also aid in rescue operations. The system will function on a combination of Global Positioning System (GPS) and Geographic Information System (GIS) and create a geo-fence — a sort of virtual fencing along the International Boundary Line (IBL) between India and Pakistan.

Under the system, a data centre on the shore will monitor and control the movement of vessels using a two-way secured, non-hackable radio communication. Each of the fishing boats will have an embedded digital contraption that will get activated and alarm the fishermen the moment they cross over the border. Under the project, the fishermen will also be provided with biometric cards, which they will have to swipe before leaving the shore and swipe again on return, with the control room registering the dates. "This will help us ascertain who all are in the sea in case of natural disaster or accident," said an official. Deputy Secretary (Fisheries) V T Kharadi said his department has already accorded an administrative sanction to the project and contributed its share of Rs 28 crore. On its part, the GMB is busy working out all relevant technological aspects of the system. "We hope the entire vessel tracking and warning system will be in place very shortly," Kharadi.

Source(s): Bashir Pathan, Oct 19, 2008.

<http://www.indianexpress.com/news/New-technology-to-check-fishermen-from-straying-into-Pak-waters/375187>



Cruise Terminals at Four Ports Under PPP Model

In order to boost tourism in the country, the Government of India has planned to set up dedicated cruise terminals in four ports under public private partnership (PPP) model. "As part of cruise shipping policy adopted by the Government in June this year the Ministry of Shipping has planned to set up cruise terminals at Chennai, Mumbai, Goa and Kochi ports in the first phase," Shipping Secretary APVN Sarma said, while addressing at a cruise tourism conference here on Thursday.

Highlighting the role of ports, Sarma said "for enabling ports to optimise their yields, government proposes to give incentives to ports so that they could strike a balance between high revenue generating cargo ships and cruise ships." The government is engaged in ironing out certain issues like taxes on bunkers and speeding up immigration procedures to give a boost to cruise tourism, he said. Addressing the conference, Tourism Secretary Shilabhadra said the government has set a target of 10 million foreign tourists arrivals (FTA) by 2010 as against 5.08 million in 2007.

"Keeping in mind the very positive tourism trends in mind and sector's potential for additional employment and revenue generation we have adopted this ambitious target to generate additional USD 9 million as forex. This exercise will create about 15 additional jobs," she said.

Source(s): The Hindu, Sept 02, 2008.

<http://www.hindu.com/thehindu/holnus/002200809041638.htm>

Volvo Ocean Race – India Stopover Cochin Port, Kerala - December 3-13, 2008

Volvo Ocean Race is the most prestigious and spectacular round the world marathon ocean yacht racing competition, seen as the ultimate in extreme adventure sporting. It is for the first time in its 35 year history that the Race is stopping over in India.

Preparations have already been started at Cochin Port to host the stopover of the ultimate in ocean racing competition which is coming for the first time to India. The world's fastest racing yachts will call at Kochi on 3rd December 2008 and will stay for 10 days to witness a visual extravaganza before starting leg three of the race to Sentosa Island in Singapore



Source(s): Sept 18, 2008

<http://www.americanchronicle.com/articles/74595>

Vietnam's Marine Tourism Development Not Matching Its Potential

Vietnam is a coastal nation at the eastern edge of the Indochinese Peninsula, with over 1,000,000 square kilometers of forest and more than 3,000 big and small islands, mainly located off the northwestern shore of the Gulf of Tonkin (Quang Ninh – Hai Phong) along with the two offshore archipelagoes of Truong Sa and Hoang Sa. Vietnam's coastal area overflows with sunlight and an abundance of white sand beaches together with beautiful vistas of forest, river deltas, seashores, the ocean and islands, as well as having unique sea socio-cultural factors. All of which are provide great marine tourism potential for Vietnam.

However, Dr. Le Trong Binh, Head of the Institute of Tourism Research and Development, says that marine tourism development has not been equal to both the resources that the nature offers and the cultural heritages created by the Vietnamese people in coastal areas, because there are too many inadequacies in infrastructure investment and the development of tourism areas, as well as tourism types and tourism products.

Dr. Nguyen Chu Hoi, Deputy Head of the Vietnam Sea and Islands General Department, states that marine resources are shared resources because they are usually open to all for exploitation. Profit contradictions between marine tourism



development and the development of other sectors of the economy along beaches and on islands are increasing. This is due to a lack of co-operation between different sectors in using and managing the resources of coastal areas, the ocean and islands. Some areas have great marine tourism potential, but ports, docks or aquaculture zones, which cause negative impacts on tourism, have been built there.

Moreover, the participation of local communities in developing and managing marine tourism is still limited and passive. Law enforcement of land use laws along the ocean and off-shore is weak, and policies on ocean environmental management are not synchronized. Cultural standards of people living in coastal areas and on islands, as well as tourists' awareness, are rather low, so marine tourism development in the direction of industrialization and integration still meets numerous difficulties.

Source(s): Sept 27, 2008.

<http://vietnamtonight.blogspot.com/2008/09/vietnams-marine-tourism-development-not.html>

MARITIME LEGISLATION

'Rigid Controls Keep Investors Away from Ports, Shipping'

Stringent regulations and procedural constraints have made the port and shipping sector the least attractive for investors, getting less than three percent of the outlay committed by the private sector between January and June, says a new study released by an apex chamber here Wednesday (Sept 10). Out of Rs.6.33 trillion investment announced by corporates during this period, the ports and shipping sector accounted for just Rs.306.9 billion, or 2.84 percent, said the study by the Associated Chambers of Commerce and Industry (Assocham).

'Despite being a potential sector for investment, ports and shipping sector remained the most neglected sector because of regulations and procedural constraints,' the study added. Companies such as Essar Shipping, Jindal Saw, JSW Infrastructure and the Shipping Corp of India made these investments. Another sector that was neglected was construction and manufacturing, which could garner only Rs.367.9 billion (3.5 percent), said Assocham president Sajjan Jindal.

Source(s): IANS, Sep 10, 2008.

<http://businessnewsdailyindia.blogspot.com/2008/09/controls-keep-investors-away-from-ports.html>

Shipbuilding Subsidy May be Revived

The ministry of shipping is considering reviving subsidy on shipbuilding to enable the industry to be globally competitive. Currently, India's share of global shipbuilding orders stands at a minuscule 1%. The subsidy scheme had expired on August 14, 2007. T R Baalu, Union minister of shipping, road transport and highways, said the ministry is thinking of circulating a cabinet note on subsidy this week. "We have already held interactions with stakeholders and are formulating a new modified shipbuilding subsidy scheme and would be circulating our proposal for comments of appraising agencies and ministries very soon," he said at an industry conference in New Delhi. The previous subsidy scheme provided a 30% incentive on the contract value of ocean-going merchant vessels more than 80 metres in length sold to Indian companies, and on all ships sold to foreign firms.

A report by audit and consultancy KPMG on shipbuilding subsidies across the globe last year showed that Indian yards suffer a minimum cost disadvantage of 32-37% on the price of a typical ship. That is because countries such as Japan, South Korea, China and Vietnam give many direct or indirect incentives and subsidies to their own shipyards.

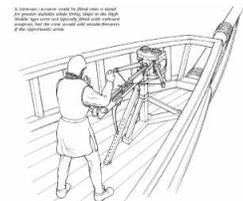
Source(s): Archana Shukla, October 08, 2008

<http://www.dnaindia.com/report.asp?newsid=1196360>

MARITIME HERITAGE

Naval Warfare In The 100 Years War

Although noblemen were not trained for naval warfare, which, unlike fighting on land, was not considered a noble pursuit, naval operations were an important part of HUNDRED YEARS WAR. The English, being the aggressors, required ships to transport men, supplies, and equipment, as well as to control lanes and defend coasts against raiders. The French, attempting to resist invasion, needed vessels that could intercept enemy fleets and launch swift, destructive raids on enemy shores. While navies only became vital components of European military establishments in the sixteenth century, Hundred Years War laid the groundwork for that development in both England and France, neither of which had real navies before 1300. During the war, both kingdoms developed ships and fleets suited to their particular needs, as well as the facilities and administrative support required to maintain naval forces.



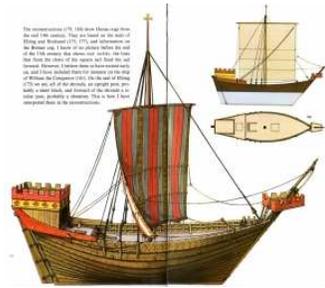
The Hundred Years War witnessed several large naval battles. The most important of these encounters were the Battle of SLUYS (1340), which was the first major Anglo- French engagement of the war; the Battle of WINCHELSEA (1350), which was an English attempt to clear the Channel of Castilian raiders; the Battle of LA ROCHELLE (1372), which cost the English both a fleet and an important port; the Battle of CADZAND (1387), which gave the English temporary control of the Channel; and the Battle of the SEINE (1416), which broke the French siege of HARFLEUR. Other important naval actions included the English seizure of Brest (1342), which gave EDWARD III a major port in BRITTANY and secured the sea route to AQUITAINE; the French attack on Winchelsea (1360), which destroyed an English town and foreshadowed the damage French raiders would frequently inflict on the English coast in the 1370s; and the Franco- Castilian blockade of BORDEAUX (1451), which helped complete the French reconquest of GASCONY.

The naval battles of the Hundred Years War were hand-to-hand encounters that recreated land combat on the decks of ships. Men fought with the same weapons used on land, although sailors might throw soap or stones to impede enemy boarders, or quicklime to blind enemy combatants. The same projectile weapons employed on land were used to bombard enemy ships, including longbows and crossbows—English ARCHERS made effective use of the former against grappled French vessels at Sluys—as well as lances, spears, and darts; ARTILLERY, however, was rarely mounted on ships before the fifteenth century.

Naval needs also affected overall strategy and the course of wartime DIPLOMACY. The VALOIS soon realized that they could not depend on the maritime resources of FLANDERS, the Flemings being too dependent on wool for their cloth industry to make war on the main supplier of that vital commodity. As a result, French kings forged agreements with Castile, Genoa, and even Denmark to supply ships for naval actions against the English. The Anglo-French interventions in the CASTILIAN WAR OF SUCCESSION in the 1360s were based in large part on the desire of both parties to secure for themselves the assistance of the Castilian fleet, the value of which was clearly demonstrated at La Rochelle in 1372. Intervention in Brittany in the 1340s was similarly based on a desire to control the ports and naval resources of that duchy, and Edward III's siege of CALAIS in 1346–47 was undertaken in the hope of securing for England a cross-Channel port for landing men and supplies. In the fifteenth century, HENRY V focused his attention on conquering NORMANDY in part to achieve English control of both sides of the Channel and thus secure his armies' lines of supply and communication.

In the fourteenth century, neither Crown owned many ships, largely because the cost of building them and the facilities required to maintain them were prohibitively expensive. Thus, war fleets were raised as needed by impressing private vessels. Officers working under the admirals were sent to ports to requisition ships for the king's use. In England, the Cinque Ports, a confederation of southeastern towns, had a special responsibility to provide the Crown with ships and sailors; however, the large fleets required to transport Edward III's army to France for the RHEIMS CAMPAIGN in 1359 or Henry V's for the AGINCOURT campaign in 1415 deprived many merchants and fishermen of their vessels during the height of the trading and fishing seasons. Because ship owners received no payment for the use of their vessels, no compensation for lost business, and no reimbursement for vessels destroyed, damaged, or captured in royal service, such impressments were highly unpopular. What's more, requisitioned ships often had to be substantially modified for war service. Ships carrying horses needed special accommodations below decks, while merchant vessels destined for naval combat had to be fitted with high castles fore and aft.

The English need for vessels with carrying capacity meant that high-sided merchant cogs were best suited to royal service, and impressments of such ships continued to be the best way to raise a fleet. In France, where the need was for smaller, faster ships that could engage the enemy at sea and raid his coasts, the ideal vessel was the galley, a flatbottomed ship powered by oars or sails that could come in close to shore. By the 1360s, the French Crown was building its own galleys at the Clos de Galées, a shipyard in ROUEN. In the fifteenth century, Henry V realized that he needed a permanent fleet to patrol the Channel and regularly ferry men and supplies to France. By the 1420s, the king, through purchase, capture, and construction, had built a royal fleet of thirty-five vessels and given oversight of naval matters to a clerk of the king's ships headquartered in Southampton. However, after Henry's death in 1422, the fleet was gradually disbanded to save money, with ships being sold or allowed to rot.



By the 1440s, when the government of HENRY VI was too poor to rebuild his father's fleet, the English war effort was severely hampered by lack of a navy. (Further Reading: Allmand, Christopher. The Hundred Years War. Cambridge: Cambridge University Press, 1988; Rodger, N. A. M. The Safeguard of the Sea: A Naval History of Britain, 660– 1649. London: HarperCollins, 1997; Sherborne, J. W. "The Hundred Year's War: The English Navy: Shipping and Manpower." Past and Present 37 (1967))

Source(s): Oct 30, 2008.

<http://warandgame.wordpress.com/2008/10/30/naval-warfare-in-the-100-years-war/>

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