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# MARITIME INFRASTRUCTURE

## Floating Atomic Power Plant

Russia has started building the world's first floating nuclear plant, designed to provide power for remote areas. The plant, costing £100m, is due to be launched in 2010. Russia's atomic energy ministry (Minatom) announced that the base unit for the plant had been prepared in Severodvinsk, in Russia's Arctic north. The plant - to be called Akademik Lomonosov - will supply electricity to Sevmash, a shipbuilding firm which produces nuclear-powered submarines. The floating



plant will have a 70-megawatt reactor. Russia's nuclear energy producer Rosenergoatom is financing 80% of the project and Seymash the other 20%.

Source: BBC, 17 April 2007, http://news.bbc.co.uk/2/hi/europe/6562925.stm

## Dublin Port to build US\$440m Harbour in Sumatra

Ireland's Dublin Port Co plans to build a US\$440 million deep-sea transshipment harbour in Indonesia's westernmost island of Sabang in Sumatra. The project will help Indonesia ease congestion at Jakarta's Tanjung Priok port, which handles about half of the country's exports and imports. The planned port may take five years to build and will have a two-kilometre long pier and a container yard of about 100ha.

Source: Business Times, 20 April 2007,

http://mail.google.com/mail/?realattid=f\_f0uidjja&attid=0.1&disp=inline&view=att&th=1121cfd2 1bb4c340

#### Mundra Port Sets New Record in Cargo Handling

Mundra Port and Special Economic Zone Ltd in Gujarat has achieved a new peak in cargo handling volumes by handling 13.5 million tonnes (mt) of dry, liquid and crude oil cargo for the financial year 2006-07, against 8.1 mt for FY 2005 - 06, over 66 per cent increase in volume. The total volume including the container cargo stands at 19.7 mt for 2006-07 (11.7 mt), recording over 68 per cent increase in overall volume.

Source: 23 April 2007, http://www.imaritime.com/knowledgecenter/viewnewsletter.php?id=141



# SHIPPING

# Asia Faces Single-Hull Influx

Asia is set to be flooded with single-hull vessels, but not necessarily sub-standard tonnage, Intertanko managing director Peter Swift observed at the Sea Asia conference



in Singapore on 4 April 2007. Europe and the US have already indicated that only double bottom and double side tankers will be allowed to trade in their waters beyond 2010. \*\*\*(For details see Maritime Legislation and Policy Section) Single hulls including Panama-flagged vessels will, however, be allowed to trade as per the IMO timetable in countries such as Japan, Singapore and India until they are 25 years old or 2015, whichever is earlier. Swift also strongly defended Intertanko's radical, but controversial proposal to switch to distillate fuels. The proposed move is said to reduce major elements of air emissions from ships, but actual implementation could be as far away as 2015. Source: Lloyd's Register – Fairplay, 4 April 2007.

## New Mekong Navigation System to Boost Cambodian Shipping Traffic

Cambodia hopes to significantly increase shipping traffic via the Mekong with the launch of a new system of navigation aids by the Mekong River Commission (MRC). The MRC's Procurement, Installation and Training on Aids to Navigation on the Mekong River for the first time provides a full day and night system of channel markers on the busiest stretch of the river in Cambodia. Cambodian Transport Minister Sun Chanthol said 12 leading markers and 56 buoys and beacons will cover a 100-kilometre stretch of the river, significantly improving safety and navigation. 'It is estimated this will save up to 45 million dollars a year in transport costs by enabling smaller seagoing vessels to travel directly from Phnom Penh to Singapore. It will also provide particular trade benefits between Cambodia and Vietnam, as well as making regional exports more competitive and boosting river tourism.

Source: 5 April 2007,

http://news.monstersandcritics.com/business/news/article\_1287490.php/New\_Mekong\_navigation\_system\_to\_boost\_Cambodian\_shipping\_traffic

#### India to Promote Coastal Shipping

The Indian Government would evaluate several measures that include providing further rebates in vessel and cargo-related charges, and dedicated berths at major ports to promote coastal shipping. Another option to be evaluated is allowing Indian-flag vessels to carry partial coastal cargo for concessional tariffs for the coastal sector. Earmarking dedicated storage areas for coastal cargos at identified major ports so as to provide them a longer free period considering their long evacuation process would also be considered.

Source: 9 April 2007, http://www.imaritime.com/knowledge-center/viewnewsletter.php?id=127

## Shipping Ministry Lauded for Modernising Navigation Tools

Torsten Kruuse, secretary-general, International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA) has lauded the efforts made by the Union Ministry of Shipping (India) to modernise its navigation aids. Speaking to reporters at a seminar on "implementation of IALA guidelines and recommendations" at IIT-Madras Mr. Kruuse said India was efficiently implementing the guidelines drawn up by nautical experts from around the world.

Source: The Hindu, 13 April 2007, http://www.hindu.com/2007/04/13/stories/2007041300280300.htm

### Hong Kong Shipping Growth

The gross tonnage of merchant ships registered in Hong Kong have crossed the 33.4 million gross tonnage mark with a record high of 1,177 ships, ranking the southern Chinese city the top five on world merchant fleet. From 1995 to 1997, many shipowners switched their ships' flag from Hong Kong to other flags and the tonnage on the ship register reached a record low of about 5.4 million gross tonnage.\*\* But, the size of the



Hong Kong fleet has increased by five times since 1997, through the efforts of the Hong Kong Shipping Register and a series of new measures implemented, said a statement issued by the government of the Hong Kong Special Administrative Region (HKSAR).

Source: Shiptalk News, 13 April 2007,

http://www.shiptalk.com/index.asp?ItemID=1947&rcid=188&pcid=178&cid=188

\*\*Editor's Note: India in contrast recently crossed the 8.5 m GT.



# **SHIPBUILDING**

## MOL Announces Massive Shipbuilding Programme

Mitsui O.S.K. Lines, Ltd. (MOL) announced a major expansion of the company's iron ore carrier fleet, with a proposal to launch 44 new vessels. The move is part of MOL's growth strategies in the new midterm management plan MOL ADVANCE, which began on 1 April 2007.

Source: 5 April 2007, http://www.shippingtimes.co.uk/item386\_mol.htm

## US \$ 36.6 m Indian Contract for CDL to Build Two Ships

Colombo Dockyard Limited (CDL) succeeds in securing order for construction of two numbers 250 passenger capacity ships for the Government of India. The significance of the award is that, this is the first time in the history of Sri Lankan shipbuilding industry that a Sri Lankan organisation has been awarded a shipbuilding project by the government of India. This is the first Ocean going passenger vessel construction to be undertaken by CDL. The Passenger vessel will be of 89.00 meters overall length and has the capacity to accommodate 250 passengers and cargo 100 tons.

Source: Daily News, 6 April 2007, http://www.dailynews.lk/2007/04/06/fin02.asp

## L&T to Invest Rs1, 500 Crore in New High-Tech Shipbuilding Yard

Larsen & Toubro (L&T) will set up a major state-of-the-art shipbuilding yard at a cost of Rs1,500 crore. The company has identified three locations – Chennai in Tamil Nadu, Kakinada in Andhra Pradesh and Mundra in Gujarat for the project. Once the location is finalised the project is expected to be commissioned by 2009-2010. The new greenfield ship building yard, to come up on a 1,000-acre area, would have the capability to manufacture any type of ship, including frigates and destroyers for Navy and the Coast Guard and high-tech vessels such as CNG, LNG carriers and containers up to 3 lakh dead weight tonnes (DWT)

Source: 11 April 2007,

http://www.domainb.com/companies/companies l/larsen/20070411 shipbuilding.html

#### Shipbuilding Industry to Grow 30% Annually

The Indian shipbuilding industry is on a high growth trajectory and is expected to grow at a compound annual growth rate (CAGR) of 30%. In a recent report, i-maritime, a consultancy firm has said that India's share in global order book is expected to be around 15 % by 2020 from current 0.4%, aided by cost competitiveness and skilled manpower. The industry, estimated to be \$22 billion by 2020, currently contributes less than 0.1 % towards the GDP, a figure which will rise upto 1.1% by 2020.

Source: The Financial Express, 11 April 2007,

http://www.financialexpress.com/fe\_full\_story.php?content\_id=160719

## Russia Launches New Generation N-Submarine

Russia launched its first new generation nuclear submarine since the dissolution of the Soviet Union as the Kremlin seeks to upgrade its undersea nuclear strike force.



The long delayed Yuri Dolgoruky, the first Borei-class (Arctic Wind) nuclear submarine, was moved to the dry docks at a highly secret submarine base in the Arctic town of Severodvinsk, the heart of Russia's northern submarine fleet.

Source: Daily Times, 16 April 2007,

## New Passenger Vessels, Landing Barges for Lakshadweep

Lakshadweep has received approval from the Centre for the acquisition of two passenger-cum-cargo vessels and six landing barges. The 250 capacity-cum-100-tonne cargo vessels will augment the passenger facility in the island and mainland and interisland sectors. The six landing barges will be placed on different islands to ease the embarkation and disembarkation difficulties of the passengers faced in the open sea. The project entails Rs 82.35 crore each for passenger-cum-cargo vessel and Rs 51.06 crore for the landing barges.

Source: i-maritime, 16 April 2007

http://www.imaritime.com/knowledge-center/view-newsletter.php?id=135

## Greatship (India) takes Delivery of a Modern Platform Supply Vessel

Great Eastern Shipping Company Ltd (GE Shipping) has announced that Greatship (India) Ltd (GIL) a wholly owned subsidiary of the Company took delivery of a modern Platform Supply Vessel (PSV). The 2003 built PSV named 'Greatship Diya' was contracted on 23 May 2006. With the induction of "Greatship Diya", GIL has a current new building orderbook comprising two PSVs, six (80T) AHTSVs scheduled for delivery between H2CY 2007- H1CY 2009 and one second hand PSV contracted for delivery during Q2 FY 2008.

Source: Equity Bulls, 17 April 2007

http://www.equitybulls.com/admin/news2006/news\_det.asp?id=10894

## Bharati Shipyard Plans to Build Bigger Ships

Bharati Shipyard, now under construction at Mangalore, proposed to create facility for building ships upto one lakh tonnes capacity instead of the original plan for fabricating upto 60,000 tonnes capacity ships.

Source: 22 April 2007,

 $http://economic times.india times.com/News/News\_By\_Industry/Transportation/Shipping\_Transport/Bharati\_Shipyard\_plans\_to\_build\_bigger\_ships/articleshow/msid-1940272, curpg-2.cms$ 

## COSCO Mega Order for Chinese Shipbuilders

Chinese shipping giant COSCO has placed a record order of 66 ships totalling 5.14 million dwt at Chinese shipyards, according to news agency Xinhau. The order is split between four of China's shipbuilders including the firm's own shipyards and is made up of bulk carriers, container ships, oil tankers and car carriers. No further details have been released but Lloyd's Fairplay reckons some of the vessels are already on order books as delivery is slated between 2008 and 2010. Earlier this month Hyundai Heavy Industries of Korea announced they had started assembling units of one of four giant 10,000 teu container ships for COSCO.

Source: 23 April 2007, http://www.shippingtimes.co.uk/item483\_cosco.

## Bharati Shipyard Forays into South America

Bharati Shipyard Limited has signed a contract with UP OFFSHORE (BAHAMAS) LTD, for construction and supply of two Platform Supply Vessels. The Contract value of these two vessels is US \$43.30 million (approximately Rs 180 crores). It is the first time



in the history of Indian shipbuilding industry that an Indian Company has received a shipbuilding contract from a South American Country.

Source: 23 April 2007, http://www.indiaenews.com/pressrelease/20070423/48633.htm

## Bangladesh Wins \$100m Ship Contract

Bangladesh's main shipbuilder Ananda Shipyards Shipways Ltd (ASSL) had won a \$100m contract to build eight vessels. ASSL signed the joint deal with two German companies earlier this month to build eight ships with capacity for 325 containers by June 2010. "This is the single biggest export order for Bangladesh," company Chairman Abdullahel Bari said.

Source: 29 April 2007,

 $http://www.thepeninsulaqatar.com/Display\_news.asp?section=Business\_News\&subsection=market + news\&month=April2007\&file=Business\_News2007042915616.xml$ 



# MARITIME TRADE & ECONOMY

#### Marine Sector Produces 10 % of China's GDP

China's seas contributed 2.09 trillion yuan (272 billion U.S. dollars), or 10.01 percent, of the country's gross domestic product (GDP) last year, according to a report on China's marine economy in 2006. The report, issued by the State Oceanic Administration (SOA), said last year's output value of marine industries, including fishing, transport, oil and gas exploitation, tourism and shipbuilding, rose 13.97 percent year on year, and its growth rate was 3.3 percentage points higher than that of the country's economy. The sector grew steadily, with the output value of shipbuilding, oil and natural gas exploitation and coastal tourism increasing by more than 17 percent, the report said. It employed 29.6 million people, 1.8 million more than 2005, according to the report. The output value of the marine industries increased at an annual rate of 18 percent from 930 billion yuan in 2001 to 1.8 trillion yuan in 2005, the report said. China has more than four million square kilometers of sea areas, with more than 1,400 harbors and 210,000 cargo ships.

Source: People's daily Online, 9 April 2007,

 $http://english.people.com.cn/200704/09/eng20070409\_364922.html$ 

## World's First Maritime Satellite TV to be Launched Soon

The countdown has begun for launch of the world's first 24-hour dedicated maritime satellite television channel, to be beamed from three payloads, panning all continents. Making it the first "single point of contact" for the international marine industry, the channel will facilitate global coordination on a single platform and include the entire gamut of marine activities. MarineBiz TV, a free-to-air channel, is expected to take off officially on May seven in Dubai. MarinBiz will be available through Europe, Asia, Africa and Australia in phase one and will extend to rest of the world by August, accessible on DTH, and other world-wide networks. Telecasts will be in eight-languages with auto-lingual overlapping," Project Manager Shyam Kurup told PTI from Dubai. Source: The Hindu, 16 April 2007, http://www.hindu.com/thehindu/holnus/009200704160341.htm

#### Shipping Industry Slams Panama Fee Hikes

The International Chamber of Shipping (ICS), and its partners in the Round Table of international shipping associations, Intercargo, Intertanko and BIMCO, have renewed their criticisms of proposals increase Panama Canal tolls to fund major expansion plans.ICS says it welcomes the Panama Canal Authority's (ACP) decision to postpone



the initial implementation date for some sectors from 1 May to 1 July, which "takes some account of industry concerns about the extremely short notice period for the first set of toll increases".

Source: 22 April 2007, http://www.mglobal.com/news/dailystorydetails.cfm?storyid=7654&type=2

#### **Kandla Port Mulls Congestion Charges**

From 20<sup>th</sup> April' 2007, exporters and importers shipping passing cargoes through Kandla Port will have to shell out \$100 per 20-foot container. Feeder ships, which ferry cargoes from small port to main ports where bigger vessels are calling and vice versa, operating at Kandla Port will have to pay a congestion surcharge of \$100 per laden container owing to severe berthing delays and low productivity at the port. This congestion surcharge will have an impact on all shipments to and from Colombo, Dubai and various ports in the Indian sub-continent.

Source: 23 April 2007, http://www.imaritime.com/knowledge-center/viewnewsletter.php?id=143

## Shipping Industry May Have To Pay More Tax

The tax burden for the shipping industry, which is only about Rs 20 crore (calculated on the tonnage tax basis), is set to go up to Rs 2,000 crore if chartering a ship is defined as rent income by IT department. The shipping industry has approached the Bombay HC against the IT department's move to treat shipping freight, as rent. If shipping freight is treated as rent, it would amount to an additional 20% tax for the industry. The Bombay High Court is expected to give its final verdict in a few days.

Source: 23 April 2007,

 $http:\!/\!economic times.india times.com/News/News\_By\_Industry\!/Transportation/ShippingTransport/Shipping\_industry\_may\_have\_to\_pay\_more\_tax/articleshow/1940454.cms$ 

# **Shipping Conferences Influence Freight: CCI**

The Competition Commission of India (CCI) is of the view that shipping companies are forming cartels in the form of conferences to decide freight. The CCI has written to the shipping ministry asking the latter to prevent shipping firms from deciding freights during conferences and permit them to decide rates independently. It has also asked the ministry to advise the shipping companies not to indulge in non-competitive practices.

Source: The Financial Express, 24 April 2007,

 $http:\!/\!www.financial express.com/fe\_full\_story.php?content\_id=\!162039$ 

## Kamath Roped in to Solve Shipping's Funding Woes

The Indian shipping industry is roping in KV Kamath, MD and CEO of ICICI Bank to help them with ideas to meet huge funding requirements. The industry will require anywhere between \$25-40 billion to beef-up their fleets over the next five years. His office is likely to ask one of his group companies to study these requirements and recommend solutions.

Source: The Times of India, 25 April 2007,

http://timesofindia.indiatimes.com/Business/India\_Business/Kamath\_roped\_in\_to\_solve\_shippings\_funding\_woes/articleshow/1951962.cms

## ABG Looks to Cut Tax Bill with Strategic Shift

ABG Shipyard Limited plans to merge its facility at Dahej in Gujarat with a neighbouring special economic zone (SEZ) to help save taxes and improve its competitiveness. ABG has approached the Gujarat Industrial Development Corp. (GIDC) to merge the upcoming yard with Dahej SEZ, promoted by GIDC and Oil and Natural Gas Corporation. As the ownership of the waterfront of the yard vests with the Gujarat Maritime Board (GMB), the plan requires a no-objection certificate (NOC) from



the state's maritime regulator to go through. GIDC and GMB are currently discussing the issue.

Source: Mint, 27 April 2007.



#### France Takes Control of Naval Task Force

France has taken over from UK the command of the coalition naval task force that coordinates operations with the U.S. Fifth Fleet in the Gulf. The Bahrain Tribune reported the handover took place aboard the French ship Somme. The new commander is Rear Adm. Alain Hinden. His command of Combined Task Force 150, or CTF-150, will be for four months, CTF-150 was established by the United States and its allies early in the War on Terror to interdict terrorists traveling between countries by sea and to increase overall maritime security in its area of operation, which includes the Gulf of Aden, the Gulf of Oman, the Arabian Sea, the Red Sea and Indian Ocean. In addition to counter-terrorism, ships in the task force combat smuggling, piracy and other maritime

Source: United Press International, 5 April 2007

http://www.upi.com/SecurityTerrorism/view.php?StoryID=20070405-103014-8631r

## US Refuses Frigates for Pakistan Navy

The United States has declined Pakistan's request regarding the provision of American frigates to the Pakistan Navy. "The US Navy has no plans to retire its frigates for at least two more years. We have taken the Pakistani request seriously, but the frigates can be provided only after they are available," the chief of US naval operations, Admiral Michael G. Mullen told reportes.

Source: The Asian Age, 18 April 2007.



# MARITIME SECURITY

## Navy to Install Radars at Various Points along Coast

The Indian Navy plans to install marine surveillance radars at various locations on the coast from Nagapattinam to Tuticorin with commanding facility at the Rameswaram detachment. The Navy has a coastal radar facility at the detachment, but with limited capacity. Six other Naval detachments in the region - Nagapattinam, Kodiakarai, Thoppudurai, Mallipattinam, Jegadhapattinam and Thondi - lack radar facility and depend on communications from radars fitted on ships patrolling the Gulf of Mannar, Palk Strait and other areas. The proposed plan will bring more than 500 km from Nagapattinam to Tuticorin under the sea surveillance network.

Source: The Hindu, 4 April 2007, http://www.hindu.com/2007/04/04/stories/2007040419400800.htm

#### US asks China to Play Role in Maritime Security

The United States has asked China to join a global effort to maintain international maritime security, as the Pentagon welcomed Beijing's navy chief Vice Admiral Wu Shengli on a rare visit. The admiral was referring to the "1,000-ship Navy" concept. The admiral's spokesman, Commander John Kirby, says Vice Admiral Wu expressed interest in the plan and asked for more information.

Source: ABC Radio Australia, 5 April 2007

http://www.radioaustralia.net.au/news/stories/s1890704.htm



## Colombo: Sea Tigers' Headquarters Destroyed

The Sri Lanka Air Force claimed on Wednesday to have bombed and destroyed the LTTE Sea Tigers' headquarters at Puthukudiyiruppu in Mullaittivu. A statement by the Defence Ministry said a large complex of buildings, including a fuel storage tank, a vehicle maintenance yard and spare parts store, were destroyed in the air raid. However, the LTTE alleged that the MiG planes bombed civilian areas in Puthukudiyiruppu.

Source: The Hindu, 5 April 2007, http://www.hindu.com/2007/04/05/stories/2007040507121400.htm

#### Conflicting Versions of Sea Battle

The navy and the Tamil Tigers gave conflicting versions of a sea battle in Mannar waters. According to the navy, its Inshore Patrol Craft (IPCs) confronted an LTTE suicide boat in Baththalangunduwa Sea. The boat, which came along with four more LTTE boats, was destroyed. The confrontation occurred when the IPCs intercepted them at a location 5 nautical miles off Baththalangunduwa, northwestern coast. It said one sailor suffered minor injuries and one IPC was slightly damaged. The other LTTE boats managed to escape towards Silawathura area. However, TamilNet quoted the Tigers military spokesman Irasiah Ilanthirayan as saying seven navy personnel were killed and a navy gunboat was sunk after the clash when three gunboats blocked a Sea Tiger patrol. "Our Patrol Unit Commander reported seven enemy casualties after the encounter which lasted for 15 minutes."

Source: The Hindu, 7 April 2007, http://www.hindu.com/2007/04/07/stories/2007040704111400.htm

## Navy Positions Warships near Katchatheevu

The Indian Navy has positioned two warships along the International Maritime Boundary Line near Katchatheevu in the wake of recent developments in Sri Lanka and indiscriminate firing by the island nation's Navy on Indian fishermen. A number of speedboats, interceptors, a Dornier aircraft from Arakonam and a Navy helicopter have also been pressed into service. "At the moment, we don't see any threat from the Liberation Tigers of Tamil Ealem. We have enough indication from intelligence sources that the LTTE will not get involved in any action with Indian armed forces. However, we are fully alert," said Commodore Phillip Van Haltren, Naval Officer in-charge, Tamil Nadu. "Lots of activities have been taking place off the Rameswaram coast now and then. It is imperative to monitor the movements along the International Maritime Boundary Line."

Source: The Hindu, 12 April 2007, http://www.hindu.com/2007/04/12/stories/2007041203780400.htm

#### Nuclear Detection Devices Installed at Ports in Pak and Honduras

In order to ward off nuclear or other bombs landing in its territory, US has planted nuclear detection devices at ports in Pakistan and Honduras. This is the first phase of a larger plan to increase the security of shipping containers before they arrive in the US, Homeland Security Deputy Secretary Michael Jackson said. He said that the "Secure Freight Initiative", announced in December, would be expanded to four other non-US ports: Southhampton, England; Salalah, Oman; Port of Singapore; and the Gamman Terminal, Korea. The testing of the devices began on April 2 in Puerto Cortes. Tests in Port Qasim, Pakistan, began in March.

Source: 13 April 2007

http://story.malaysiasun.com/index.php/ct/9/cid/303b19022816233b/id/241325/cs/1/



#### Piracy Pact

India, South Korea and Sri Lanka on April 7 joined a regional cooperation pact against marine piracy in Asia, bringing to 11 the number of countries that have signed up, the Singapore government said.

Source: Shiptalk News, 13 April 2007,

http://www.shiptalk.com/index.asp?ItemID=1944&rcid=188&pcid=178&cid=188'#anch

#### Pirate Attacks Decline in Malacca Straits

Pirate attacks in Southeast Asian sea lanes fell to their lowest level in five years in the first quarter of 2007 due to increased patrols and other anti-piracy measures, according to a report by Singapore researchers. So far this year, there have been 10 reported armed robberies and other piracy attacks and two attempted attacks, said the report, released this week by Nanyang Technological University Researchers.

Source: The Hindustan Times, 18 April 2007.

## US Proposes Global Force to Patrol Indian Ocean

The United States has mooted a proposal to build a 1000-ship global maritime force involving Russia, China and India to patrol the Indian Ocean. It has also sought a naval base and access for American warships to Indian ports. Visiting US Navy Chief Michael Mullen has reportedly asked India to seek Russia and China's cooperation to build the maritime force. He has briefed National Maritime Foundation Chairman KK Nayyar about the global response to the proposal and also held meetings with Defence Minister AK Antony and India's Navy chief Suresh Mehta on the issue. Asked who the planned force's commander would be, Mullen said: "There is no commander. There are no entry rules. Nobody can do this alone. The leadership is with all of us." He said the "thousand ships" would not make for a US-led navy. He claimed that the Indian response to the proposal was "very positive".

Source: 20 April 2007.

http://www.dailytimes.com.pk/default.asp?page=2007%5C04%5C20%5Cstory 20-4-2007 pg7 39

## Govt Appoints Committee to Review Security of Ports

The government of India constituted a high-powered committee to review the security preparedness of ports, shipyards and allied installations in the country. The committee would be headed by chairman of Cochin Port Trust and include representatives from Chennai, Paradeep, JN Port and Mumbai Port Trusts.

Source: 23 April 2007, http://www.zeenews.com/znnew/articles.asp?aid=367344&sid=REG



# MARITIME COOPERATION

# South Korea, China Agree to Set up Military Hot Line

South Korea and China have agreed to set up an emergency military hot line to avoid possible maritime clashes. The hot line between the two countries' navies and air forces will "help avoid clashes in the West Sea over illegal fishing.

Source: International Herald Tribune, 4 April 2007,

http://www.iht.com/articles/ap/2007/04/05/asia/AS-GEN-SKorea-China-Military.php

#### Pakistan Says Shipping Protocol with India Beneficial

Pakistan has said that its new shipping protocol with India has proved beneficial and revitalised the Pakistan National Shipping Corporation. The revised protocol which was signed last December enables vessels of the two countries to lift cargoes of a third country from each other's ports. It also allows ships of third countries to lift cargo of



India and Pakistan. The revised protocol is the amended form of the 1975 protocol that facilitated transit facilities for seafarers of either country for joining or disembarking from foreign flag vessels subject to possession of valid seafarers identification documents and transit visa.

Source: The Hindu, 11 April 2007, http://www.hindu.com/thehindu/holnus/001200704110342.htm

## Japan, U.S., India Hold Joint Maritime Drill

Japan's Maritime Self-Defense Force and U.S. and Indian navies held a joint maritime drill on 16 April 2007 in the Pacific Ocean off central Japan's Boso Peninsula. Four destroyers from Japan's Marine Self-Defense Force, two destroyers and one depot ship from the Indian Navy, and two Aegis-equipped destroyers from the U.S. Navy took part in the six-hour exercise, which included basic drills of communicating among each other through radio transmissions and flag signaling, Kyodo News reported. It was the first joint military exercise among Japan, the United States and India.

Source: 16 April 2007, http://news.xinhuanet.com/english/200704/16/content\_5984501.htm

## Indian Ships in Oman to Develop Working Level Cooperation

Two Indian naval ships are in Oman to develop working level cooperation between the maritime law enforcement agencies of the two countries. Varuna, a multipurpose offshore patrol vessel, and Savitribai Phule, an extra-fast patrol vessel, of the Indian Coast Guard are in Oman to interact with the Royal Oman Police Coast Guard for developing a working level cooperation between the maritime law enforcement agencies. The interaction between the two maritime forces will cover search and rescue at sea, anti-piracy operations, pollution response, maritime law and other topics of coast guard charter of duties.

Source: The Hindu, 17 April 2007, http://www.hindu.com/thehindu/holnus/001200704171431.htm

## US Navy seeks Berthing Permission at Indian Ports

The US Navy has again sought berthing and access facilities at Indian ports. "Yes, the issue [of berthing and access at Indian ports] did figure in our discussions [with Indian Navy chief Admiral Sureesh Mehta]," Mullen stated. The US had first made the proposal three years back and New Delhi is yet to officially respond to this. Presently, US Navy vessels are granted berthing and access facilities as the need arises.

Source: 19 April 2007, http://www.gulfnews.com/world/India/10119309.html

## US Eyes Naval Ties with India

With India still wary of openly joining the controversial Proliferation Security Initiative (PSI), which seeks to aggressively "interdict" suspicious ships on the high seas, US now wants India to hop onto its "Thousand-Ship Navy" (TSN) bandwagon. Visiting US chief of naval operations Admiral Michael G Mullen discussed the still-evolving TSN concept - which basically involves navies of like-minded countries coming together to enhance security on the high seas - with Navy chief Admiral Sureesh Mehta and others over the last two days. "There was a very positive response on TSN from Indian Navy, which in fact wanted to figure out a way to implement it faster," said Admiral Mullen on Wednesday. The Indian Navy, which has practised maritime interdiction and counter-terrorism manoeuvres with US Navy over the last five years, is certainly "warm" to the TSN idea. But it will require "political clearance," said a top Indian Navy officer.

Source:

http://timesofindia.indiatimes.com/US\_eyes\_naval\_ties\_with\_India/articleshow/1922660.cms



## Navies of Russia, India Start Anti-Terror War Games

The Russian and Indian Navies conducted their counter-terrorism naval war games off the Sea of Japan. The three-day exercise involves warships and helicopters from the two navies. The exercise, dubbed INDRA-2007, also involved live-fire air defense and antisubmarine maneuvers, as will as practice maritime law enforcement against piracy, terrorism and drug smuggling. For the war games, Russia sent two anti-submarine ships, a diesel submarine, a missile boat, a group of mine-sweepers, a tanker, two tug boats, two helicopters and a patrol and maritime anti-submarine plane. The Indian Navy for its part dispatched three missile destroyers, a missile corvette and a tanker.

Source: AHN, 24 April 2007, http://www.allheadlinenews.com/articles/7007139779



# MARITIME DISPUTES

## Peruvian Nationalists March to Chile Border to Protest Maritime Dispute

1,000 Peruvian nationalists tried to reach the Chilean border to pressure the government to push the decades-old maritime dispute between Peru and Chile before the International Court of Justice. However Peru Cabinet chief Jorge del Castillo criticized the protesters for "trying to threaten relations between Peru and Chile" and halted the protesters to reach the border.

Source: The International Herald Time, 4 April 2007,

http://www.iht.com/articles/ap/2007/04/05/america/LA-GEN-Peru-Chile-Border,php

## Canada Clarifies US LNG Opposition

Canada is not blocking access to two proposed US LNG facilities because of "energy protectionism", the premier of the Canadian state of New Brunswick insists. The controversy surrounds a Canadian federal government decision to deny LNG tanker transits through Head Harbor Passage, effectively blocking access to two proposed LNG facilities in Maine on the American side of Passamaguoddy Bay. In a letter to the Wall Street Journal, New Brunswick premier Shawn Graham explained that vessels turning into the Western Passage after transiting the passage "will encounter the Old Sow whirlpool, the largest in the Western Hemisphere," which "shifts location depending on the tides and is near one of the narrowest points in the transit." Graham asserted that Head Harbor Passage is in "entirely Canadian waters" and the exclusive jurisdiction of the Canadian federal government "not subject to review or critique by the [US] Federal Energy Regulatory Commission." Following its Head Harbor decision, Canada has been accused by the WSJ editorial board of attempting to protect the new Canadian LNG facility, Canaport LNG, from US competition. But Graham countered that: "In contrast to the proposed Maine terminals, the Canaport LNG facility in Saint John and its approaches are in easily navigable waters."

Source: Lloyd's Register - Fairplay, 11 April 2007.



# MARITIME LEGISLATION & POLICY

#### Shipping Act to Check Middlemen

In an effort to streamline the maritime trade industry, and free it from the menace of middlemen involved in clearance of cargo, the Indian shipping ministry is planning to incorporate strict penal provisions in the proposed Shipping Trade Practices Act. Under the proposed Act, a fine of Rs 2.5 lakh would be charged from the middlemen (known as service providers) who are not registered. The proposed Act makes it mandatory for the service providers get registered after paying a fee of Rs 50,000. The fee for renewal of



registration is Rs 5 lakh. Besides, the proposed Act also suggests setting up of a multimember shipping trade practices commission for settlement of disputes between consignors, consignees, maritime transportation logistics service providers or between persons registered under the proposed Act.

Source: Business Standard, 17 April 2007,

http://www.business standard.com/common/storypage.php? autono=281462 & leftnm=3 & subLeft=0 & chkFlg

## Double Hulled Tankers for Heavy Oil Now Law in Europe

European officials signed into law a requirement that only double hulled tankers carrying heavy oil can enter European ports. The law was enacted in response to disastrous oil spills from single hulled tankers the Erika in 1999 and the Prestige in 2002. President of the European Parliament Hans-Gert Pottering, and Guenter Gloser, German Presidency representative and minister of wtate for European affairs in the German government, both signed the European Parliament and Council Regulation into law. Under the new regulation, regardless of what flag they are flying, only double hulled tankers will be able to enter member states' harbors or anchor in their territorial waters. The regulation applies in all the 27 member states and, now that it has been signed, will enter into force on the 20th day after its publication in the Official Journal of the European Union.

 $Source: 28\ April\ 2007,\ http://www.ens-newswire.com/ens/apr2007/2007-04-28-02.asp$ 



# FISHING

## Fish Research Centers will Assist NACA

The Network of Aquaculture Centers in Asia-Pacific (NACA) for the first time appointed Iran as the 'reference center' for aquaculture network in Asia and Oceania. Iran's Fishery Research Institute presented its comprehensive plan at the 17th meeting of the NACA governing council in Thailand and two Iranian fish research centers were chosen as reference centers. Development of cold-water aquaculture and the unique ecological conditions of Iran among other members of NACA has transformed the Islamic state into a more active member, cooperating with regional as well as international organizations and determining research and executive policies related to farming coldwater fish.

Source: Iran Daily, 8 April 2007, http://www.irandaily.com/1386/2811/html/economy.htm#s218046

## **Kerala Sees Fall in Seafood Catch**

There is an alarming drop in the seafood catch from the western coast this year, especially in the Kerala and Goa coasts. Industry estimates that the fall could be as high as 50% when compared with the previous year. The decline in catch has adversely affected all major segments of the industry starting from the boat operators, ice factories, the peeling sheds, freezing plants and the transporters. However, according to AJ Tharakan, president, Seafood Exporters Association of India (SEAI), the processing industry will not be affected much as it is getting fish from other states also.

Source: Times News Network, 12 April 2007,

 $http:\!/\!economic times.india times.com/Markets/Commodities/Kerala\_sees\_fall\_in\_sea food catch/article show/1894970.cms$ 

## Seafood Export to Double by 2010

Export of seafood from the India is likely to be worth over \$4 billion by 2010 from the current export estimates of \$2 billion, provided the capacity of its fleet of fish catching



vessels are expanded, more accurate remote sensing tools are deployed and the fiscal assistance to seafood exporters through the Marine Products Export Development Authority (MPEDA) is substantially enhanced. In a paper brought out by the Associated Chambers of Commerce and Industry of India (Assocham) on `neglected seafood exports', it was projected that India's seafood exports, which stagnated at \$1.6 billion in 2005-06 and moved up to \$2 billion in the first nine months of the current fiscal, had the potential to accelerate faster in view of their growing demand in trading blocs such as the European Union, the U.S., Canada and West Asia. The paper suggested that the current fleet of fish catching vessels in the country was less than 50,000 in number with the capacity of each remaining at about 1.5 tonnes. This capacity needed to be expanded to five tonnes to increase fish acreage with the latest remote sensing equipment to exploit the deep shipping potential.

Source: The Hindu, 12 April 2007, http://www.hindu.com/2007/04/12/stories/2007041217980500.htm

## **Imported Fish Preserved With Harmful Formalin**

Scientists of the Bangladesh Fisheries Research Institute (BFRI) said most imported fishes are preserved with poisonous formalin, which is very harmful for the health. They made the observation at the closing ceremony of a two- day training workshop on the 'Role of Media in Extension of Fish Technology,' held at the auditorium of BFRI. The experts said a section of the unscrupulous fish traders have long been using formaline in fishes before their marketing. They said this poisonous substance is used when fishes are being transported through different entry points from the country they are being imported. They also said that they had detected formaline in fishes through a silver mirror test in the BFRI research centre and urged the journalists to use their pen against such corrupt business in the country.

Source: The Bangla Desh Today, 13 April 2007,

http://www.thebangladeshtoday.com/archive/April%2007/13-04-2007.htm

## Government Bans Deep-Sea Fishing in Exclusive Economic Zone

The Central Government (India) has banned all deep-sea fishing vessels in the Exclusive Economic Zone (EEZ) of the country from 15 April to 31 May along the east coast. In addition, all deep-sea fishing vessels in the EEZ will be banned along the west coast from 15 June to 31 July 2007.

Source: 16 April 2007, http://www.dailyindia.com/show/133965.php/Government-bans-deep-sea-fishing-in-Exclusive-Economic-Zone

#### Excess Vessels to be diverted for Deep Sea Fishing

Kerala fisheries Minister S. Sharma said on 24 April 2007 that fishing vessels, which were in excess of requirement on the coast, would be modified for deep sea fishing. Boats that are more than 20 metres in length could be converted for deep-sea operations. A project would be drawn up for implementing the proposal. In an article released for publication, the Minister said the exploitation of deep-sea fishes would help to increase catch and achieve the targets of the master plan for the fisheries sector. The plan targeted increase of marine fish production from 5.7 lakh tones to 7 lakh tones in 10 years.

Source: The Hindu, 25 April 2007.





# MARINE ENVIRONMENT

#### Indian Coast Guard Conducts Exercise in Gulf Of Kutch In Gujarat

The Indian Coast Guard conducted a two-day National Level Oil Spill Exercise, codenamed "Sagar Manthan-IV" in the Gulf of Kutch (GOK) region on 9 & 10 April 2007. All resource agencies operating in the GOK region including Reliance Industries Limited (RIL), Indian Oil Corporation (IOC), Essar Oil Limited (EOL), Mundra Adani Port and Bedi Port (GMB Group of Ports) participated in the integrated exercise held in the mid-seas of the Gulf of Kutch.

Source: Gujarat Global News Network, 10 April 2007, http://www.gujaratglobal.com/nextSub.php?id=2697&cattype=NEWS

## Protests against Sethusamudram Hot Up

Scientists, greens and politicians are coming together to spearhead a new wave of protests against the Sethusamudram shipping canal in the south of India, claiming dangers to environment and Hindu religious symbols.

Source: 18 April 2007, http://www.dailymirror.lk/2007/04/18/front/02.asp

## Ocean's 'Twilight Zone' Plays Important Role in Climate Change

A major study has shed new light on the dim layer of the ocean called the "twilight zone"—where mysterious processes affect the ocean's ability to absorb and store carbon dioxide accumulating in our atmosphere. The results of two international research expeditions to the Pacific Ocean, published on 27 April 2007 in the journal Science, show that carbon dioxide—taken up by photosynthesizing marine plants in the sunlit ocean surface layer—does not necessarily sink to the depths, where it is stored and prevented from re-entering the atmosphere as a greenhouse gas. Instead, carbon transported to the depths on sinking marine particles is often consumed by animals and bacteria and recycled in the twilight zone—100 to 1,000 meters below the surface—and never reaches the deep ocean. Using new technology, the researchers found that only 20 percent of the total carbon in the ocean surface made it through the twilight zone off Hawaii, while 50 percent did in the northwest Pacific near Japan.

Source: 27 April 2007, http://www.eurekalert.org/pub\_releases/200704/whoioz042307.php



# MARINE TECHNOLOGY

#### Ships to be Tracked Electronically

All ships approaching New Zealand's coastline are to be tracked electronically as part of a major overhaul of shipping safety, designed to reduce accidents and prevent crime and terrorism. Ships will be tracked from an operations centre in Lower Hutt, using a sophisticated monitoring system built and run by state-owned enterprise Kordia for Maritime New Zealand.

Source: 9 April 2007, http://www.stuff.co.nz/4019137a13.html

#### Raytheon to Upgrade Satellite Communications Terminals

Raytheon Co. will deliver upgrade kits for tactical satellite communication terminals used by the U.S. Army and Marine Corps as well as Canada and the Netherlands through an \$84.6 million contract. The Secure Mobile Anti-jam Reliable Tactical Terminals, or SMART-T, are made by Raytheon and designed to communicate with the next-generation of advanced extremely high frequency communications satellites.



Source: Washington Technology, 12 April 2007, http://www.washingtontechnology.com/online/1\_1/30452-1.html

# **Kochi Port Implementing Software Tool**

Cochin Port Trust is in the process of designing, developing, integrating and implementing an 'integrated Port Information System' ('iPINS') together with associated support systems to improve the port's business processes and work practices. The implementation of iPINS will help to closely monitor the performance in all areas of operations and management and provide improved levels of operations and efficient service delivery to its internal and external customers. The integrated Port Information System intends to provide one gateway for all access to port e-services and information to port users. There will be links between the Port Trust and the private Container Terminal operator, for the exchange of data with the iPINS on a regular basis.

Source: 16 April 2007, http://www.imaritime.com/knowledge-center/viewnewsletter.php?id=134



# HUMAN RESOURCES

## Move to Corporatise Major Ports Opposed

The Dock Workers' Federation has opposed the Government's proposed move to corporatise major ports in the country in phases. All India Port and Dock Workers said the move was in "violation" of the Shipping Secretary's assurance that no decision to corporatise the major ports would be taken without taking unions into confidence. "The proposal to corporatise Jawaharlal Nehru Port and Haldia Port is, therefore, contrary to and in violation of the assurance given by the Government to the Federations," said Federation President SR Kulkarni

Source: The Hindu, 27 April 2007, http://www.hindu.com/thehindu/holnus/001200704270311.htm

Suggestions and contributions are welcome. Requests for subscription and cancellation may be sent to the address below.

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#### Editorial Team

D Chakraborty Gulbin Sultana

#### **Address**

National Maritime Foundation

Varuna Complex, NH-8 New Delhi-110010, India

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

E-mail: maritimeindia@gmail.com www.maritimeindia.org URL:





