



# MAKING WAVES

Fortnightly E-News Brief of National Maritime Foundation

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### **Coast Guard Rescues MSV 'SAFEENA'**

Coast Guard Maritime Rescue Co-ordination Centre (MRCC) Port Blair received information at about 0415 hrs today from PMB intimating about a technical snag onboard Mechanized Sailing Vessel 'Safeena' due to loss of rudder. The vessel had 8 crew onboard including the Master and was carrying cargo (Diesel in barrel) from Port Blair to Kamorta. The vessel was adrift about four NM off Bompoka Island. The vessel sought help from the Indian Coast Guard through Port Management Board (PMB) Port Blair.

Soon after receipt of information, MRCC Port Blair diverted Indian Coast Guard Ship Durgabai Deshmukh for Search and Rescue of the vessel. The MSV was intercepted at about 0700 hrs today and towed till Kamorta. The vessel was handed over to agent safely, a communication from PRO Coast Guard said here today.

Source: [Echo of India](#), 2 January 2016

### **Hovercraft to Boost Coastal Security**

A hovercraft acquired by the Indian Coast Guard (ICG) reached Paradip beach. The hovercraft is fitted with state-of-the-art navigation and communication equipment and medium-range armament. It will keep vigil along Odisha, Andhra Pradesh and West Bengal coasts.

The craft is designed for high speed interceptions, close-coast patrol, maritime operations, search and rescue operations and maritime surveillance. The craft will also render assistance to fishermen in distress, ICG sources said. ICG personnel are using the hovercraft for ensuring safety of the endangered Olive Ridley sea turtles along Odisha coast.

The ICG launched 'Operation Oliva' recently to protect the Olive Ridges at three major nesting sites at Gahiramatha Marine Sanctuary, the Devi river mouth and the Rushikulya beach. The aim of the operation is to prevent entry of fishing vessels into the prohibited areas, ICG sources said.

The hybrid vessel near the lighthouse drew locals and tourists. "First time, I saw a hovercraft," said Santanu Pradhan, a tea stall owner near the Paradip beach.

Source: [The Times of India](#), 4 January 2016

## **Somalia: Who is Protecting Somalia's Fishermen?**

-Ahmed Ali

Somali fishermenAs Somalia's waters have become less dangerous for international shipping, they have become much more dangerous for Somalia's fishermen. Illegal fishing vessels that were wary of coming into Somali waters a few years ago have come back in a big way, only this time heavily armed and prepared for a fight.

Although piracy has been eliminated in the Horn of Africa region, the "pirate" term continues to be used as a tool to delegitimize and dehumanize Somalia's fishermen, to the extent where they can now be killed with impunity, by anyone, within Somalia's territorial waters, with the perpetrators taking comfort in the thought that, so long as they declare to have killed "pirates," there will be no accountability and no questions asked.

The resources with which the Somali fishermen depended on for their livelihoods have been plundered, their plight used as a pretext to hold international shipping to hostage by transnational organized criminals, resulting in the over militarization of the Somali coast and the sad situation we find ourselves in today. What is happening to the Somali fishermen in Somalia's waters can only be described as a catastrophe.

After recognizing the seriousness of the situation, BIMCO, the world's largest international shipping association, appealed to the European naval force in the region (EU NAVFOR) to help stem the rampant illegal unreported and unregulated fishing (IUUF) that is taking place within Somali's waters. Unfortunately, BIMCO's appeal was declined, with EU NAVFOR stating that their mandate does not cover the tackling of IUUF in Somali waters.

However, what EU NAVFOR's mandate does include is the monitoring of "fishing activities off the coast of Somalia." And although EU NAVFOR has excellent

surveillance capabilities in the region, to date it has not transmitted the gathered information to the Somali authorities.

Between Somalia's central government and the regional administrations, in the past fifteen years there have been six different contracts awarded to six different private maritime security contractors (PMSC) with the aim of rebuilding Somalia's coast guard. Yet today the country is still lacking a credible national coast guard. And also piracy has been eradicated in the region, the business of making money from the perceived potential threat of piracy continues to generate huge sums of money for the PMS industry. While today there is a PMSC "rebuilding" Somalia's coast guard, at the same time there are hundreds of other PMSC's competing for the lucrative protection business of escorting vessels transiting Somalia's waters, to the tune of \$15000-\$60000 per transit, mainly due to the lack of a credible Somali coast guard.

The coastguards in the different regional administrations within Somalia, have done a valiant job with the meager resources at their disposal in tackling both banditry and IUUF within Somali waters. However, although there is ample willpower on the part of the Somali people, there is a major deficiency in the tools required to secure Somalia's maritime domain. Somalia needs a unified national coastguard in order to safeguard both the safety of its fishermen and the safety of the vital shipping lane off its coast. Waiting for a readymade coast guard to be delivered by a PMSC in five or ten years time will only result in more wasted time and more Somali fishermen put in harms way.

When it comes to rebuilding Somalia's national coast guard, it should not be a case trying to reinvent the wheel, as the foundations for the national coastguard are already in place in the form of the regional administrations coast guards. And rather than the top-down method of rebuilding the coastguard, which over the years has not produced much results, it should be a more bottom up.

There needs to be a much greater integration between the different assets within the state so as to have a more unified and coherent approach when it comes controlling Somalia's maritime domain. There is also a need for an enhanced maritime domain awareness capability for the coastal areas, through both dynamic and static surveillance tools, in order for the state to have a better awareness of the activities within its national waters. This should start with the increasing of security around

the main ports in the country, with the aim of making them fully compliant with the ISPS code.

When looking at the bigger picture, the biggest losers from the piracy threat have been the Somali people and the shipping community. Hence why there should be a more concerted effort between the Somali state and the shipping community in order to find a long term solution that will be beneficial for both. BIMCO and other major shipping associations should explore ways in which they can work directly with the Somali state so that it has the capacity to ensure the security of this vital area.

The problems in Somalia's maritime domain are way too big for the different "Lands" dotted across the country to handle on their own individually. These are nationwide problems and will require nationwide solutions.

Source: [Horseed Media](#), 5 January 2016

### **Yemeni Forces Recapture Rebel-Held Port**

Yemeni forces have recaptured a Red Sea port town in Hajjeh province held by Shia Houthi rebels, Xinhua news agency reported on Thursday. Saudi-led coalition warplanes took part in the operation in the port of Midi late Wednesday, a security official said. The Shia Houthi group and their allies have used the Midi port for smuggling weapons into their main bastions, the official said.

However, sources close to the pro-Houthi forces denied the government reports and maintained that their fighters were still in full control over Midi. Yemen was plunged into violence in September 2014 when the Houthis invaded the country's capital Sanaa, driving President Abd Rabbu Mansour Hadi into exile.

The conflict soon turned into an all-out civil war between pro-government forces and Houthi rebels backed by troops loyal to former president Ali Abdullah Saleh, followed by the intervention of a Saudi-led Arab coalition vowing to restore Hadi's legitimate government.

Source: [The New Indian Express](#), 7 January 2016

## **Health Ministry Lauds Pattaya Maritime-Safety System**

- Theerarak Suthathiwong

The Public Health Ministry gave a thumbs-up to Banglamung District's efforts to ensure maritime safety during the New Year's holidays. Ministry Inspector-General Tharet Karatnairariwong visited the Sea Rescue Center at Bali Hai Pier Dec. 30, meeting with Banglamung District Chief Chakorn Kanjawattana, marine police, Chonburi Public Health officials and representatives from the Sawang Boriboon Thammasathan Foundation.

After inspecting operations and hearing a presentation from Chakorn, Tharet said it was apparent the district was ready on both a staffing and operational level to ensure safety for tourists traveling by boat during the busy holiday season.

Public Health Ministry Inspector-General Tharet Karatnairariwong expressed approval of Banglamung District's efforts to ensure maritime safety whilst visiting the Sea Rescue Center at Bali Hai Pier. Public Health Ministry Inspector-General Tharet Karatnairariwong expressed approval of Banglamung District's efforts to ensure maritime safety whilst visiting the Sea Rescue Center at Bali Hai Pier.

He said thorough preparation gives confidence to tourists. He reminded officers to check that boats were not overloaded, that all passengers wear life jackets, and that boat captains do not drink or use drugs.

Source: [Pattaya Mail](#), 8 January 2016

## **US Navy Official Questions Intent of China Military Advance in Indian Ocean**

Questioning the "intent" of Chinese military advances in the Indian Ocean and the Pacific waters, a top American Naval commander today sought deeper ties with India as he cited India-Bangladesh maritime border dispute resolution as a possible model for others. Admiral Scott Swift, Commander, Pacific Fleet, also pitched for India signing the three contentious defence foundational agreements that Washington is keen on. Talking about the growing Chinese activities in the Indian Ocean, he

wondered why would any country deploy nuclear submarines for anti-piracy operations. India security agencies are concerned about such activities of the Chinese Navy but China claims the submarines are part of their anti-piracy fleet.

Swift, who met Navy chief Admiral R K Dhowan, also spoke about China's attempts to carve out their own ports in various countries like Sri Lanka, Pakistan and Djibouti ( Africa). "There is lack of transparency, lack of understanding of the intent," Swift said speaking to a select group of reporters. He said it is for India to decide what role it wants to play in the maritime waters but pointed out that US would be ready for more naval exercises.

He cited the recent Malabar naval exercise between India, US and Japan and said Washington wants the exercise to be inclusive rather than exclusive. He was responding to a questions about whether the US wants Australia to be part of the Malabar exercise like in 2007. Talking about the maritime disputes in Asia, Swift said that in 2012, the International Tribunal for the Law of the Seas decided a maritime border dispute between Bangladesh and Burma that benefited both.

He said that two years later, the Permanent Court of Arbitration, resolved Bangladesh's western maritime border dispute with India two years later.

"India demonstrated regional leadership by agreeing to arbitration with its smaller neighbour and by accepting the ruling," he said adding that this could be a role model for others, in an indirect reference to the dispute in South China Sea. China has territorial water disputes with Vietnam, the Philippines, Japan and some other ASEAN countries. Asked about the foundational agreements, Swift said they are "natural outcomes" for a deepening of ties and said the word "foundational" describes how important they are.

The American side had raised the issue of signing of Communications and Information Security Memorandum of Agreement (CISMOA), Logistics Support Agreement (LSA) and Basic Exchange and Cooperation Agreement (BECA) during the recent visit of Defence Minister Manohar Parrikar to the US.

While the previous UPA government had refused to sign these, sources said Parrikar has asked the US to address India's concerns over these agreements for holding

further talks, particularly on CISMOA and BECA. Swift also offered his condolences for the loss of lives in the attack on the Pathankot air base. He said the world should come together to fight terrorism.

His visit is intended to consolidate the growing defence relations between India and US and also to explore new avenues for naval cooperation. The Admiral had visited India in 2012 and 2013 in various capacities.

With the ongoing construction of Indigenous Aircraft Carrier (IAC 1), carrier construction cooperation has emerged as one of the major areas for cooperation between the two navies, the Indian Navy said in a statement.

Major issues that were discussed during the visit included enhancement of scope and complexity of exercises, training exchanges, improving maritime domain awareness by sharing of white shipping information and participation of US Navy in the prestigious International Fleet Review being organised by Indian Navy off Visakhapatnam on February 16.

Source: [The Economic Times](#), 8 January 2016

## **Marine Nation 2025: Australia's Maritime Sovereignty, Security and Safety**

- Oceans Policy Science Advisory Group  
Government of Australia

By 2025, the combined value of Australian marine industries – both existing and emerging— and ecosystem services is projected to be more than \$100 billion per annum. In support of Australia's burgeoning 'blue economy', it is clearly in our national interest to ensure that the economic, ecosystem and cultural resources of the marine estate are well known, wisely used and carefully managed. This task can only be achieved with increased focus on marine science to inform industry development, policy and management. The world is facing significant challenges to sustainable economic development. These challenges include the effects of climate change, food and energy security, biodiversity conservation, management of marine

resources, resilience in the face of marine disasters, and issues with sovereignty and security.

Despite relative economic and social security and good environmental management, Australia is also vulnerable to these challenges. Many answers to global challenges lie in the sustainable use and management of the marine environment — by developing a blue economy. A blue economy is one in which our ocean ecosystems bring economic and social benefits that are efficient, equitable and sustainable. Used wisely, Australia’s ocean resources can generate wealth, food, energy and sustainable livelihoods for generations. Australia claims the third largest marine jurisdiction of any nation on Earth—13.86 million sq km —more than double the size of its land mass.

Because Australia is an island continent, our national security depends on maintaining our maritime borders, and our valuable primary export income relies on the marine estate, through both shipping routes and Australia’s extensive port network. The marine estate is also becoming increasingly important strategically as the gateway to East and South-east Asia. Australia derives substantial benefits from the oceans that are not easily quantifiable in market terms. The value of these ‘ecosystem services’ has been estimated at over \$25 billion and growing. They include regulating carbon dioxide in the atmosphere by ocean absorption, recycling essential nutrients and controlling pests and diseases as well as social and cultural benefits including sport and recreation, and inspiration for art, design and education.

In 2009 Australia’s Oceans Policy Science Advisory Group (OPSAG) released a strategic National Framework for Marine Research and Innovation, A Marine Nation. The framework highlighted the significant economic, social and environmental value of Australia’s marine estate and the opportunities for research and innovation to support industry development and government policy development and regulation. A Marine Nation aimed to support Australia’s quest to maximize wealth generation from marine assets while maintaining the health of the marine environment for future generations. It guided strategic planning and investment in national marine research and research capability, as evidenced by investment in a Marine and Climate Super Science Initiative in 2009. Through broad consultation with science providers and users, A Marine Nation ensured that

investment was well connected to, and thus likely to have positive impact on, both government and private industry stakeholders. The concepts and recommendations within the document gained widespread community and political support.

Australia has sovereign rights over much this vast area of ocean, along with the fishery, mineral, and petroleum resources found within it. The marine estate is growing rapidly in value as a vital national asset as our population continues to grow and offshore oil and gas resources are developed. Activity continues to increase along the coastal fringe and new bulk commodity ports are servicing expanding resource-based export industries. The national value of production across marine-based industries (e.g. oil and gas exploration and extraction, tourism, fishing, boat-building, shipping, ports) was \$42.3 billion in 2009–10 (compared with \$39.6 billion from agriculture), a major contribution to Gross Domestic Product, employment and infrastructure at national, state/territory and regional levels.

The protection and security of national sovereignty, for both Australia's territory and people, and the safety of the population are essential responsibilities for the government. These responsibilities support our national values and the advancement of the social, environmental and economic well-being of our nation.

Maritime sovereignty, security and safety are particularly important for Australia because of our economic reliance on the oceans for transport, trade, energy, international communication and food. We are separated from our neighbours by oceans, and rely on good order at sea to promote peaceful and prosperous relations. Our national interests need to be protected against maritime security threats that include the illegal exploitation of natural resources, illegal activity in protected areas, maritime terrorism, piracy, robbery or violence at sea, and compromise to bio-security and marine pollution. Substantial growth in oil and gas developments and shipping of resources has meant that our ability to protect the much expanded ports, shipping and offshore infrastructure from attack such as terrorism is vital to our economy. There will also be greater risk of oil spills requiring improved management to minimize impacts on biodiversity. Adapting to a changing climate will place greater demand for assessment of risks in the protection of assets, the safety of maritime operations and occurrence of natural hazards to allow adequate preparedness.

The physical environment of our EEZ is extraordinarily complex. It ranges from tropical seas with strong tidal flows, cyclones and areas where breaking internal waves belie a smooth sea surface, to the huge swells and storms of the wild Southern Ocean. To facilitate safe navigation for maritime trade routes, manage commercial fisheries and to undertake patrols, rescues and Defence activities successfully in these waters, it is necessary to understand and predict the waves, current systems, tides and other oceanographic phenomena. Accurate hydro-graphic data and charts are essential for safety of navigation for maritime trade and recreational users alike. They are also crucial for defining changing maritime boundaries of legislative jurisdictions and assist in substantiating our sovereign claims. Hydrography also assists in the exploration and management of sea floor resource exploitation and responses to natural or human disasters. However, significant parts of Australia's marine jurisdiction are not adequately charted.

The impact of extreme events, such as tsunamis, cyclones and severe storms, on communities and infrastructure is a significant issue for Australia's maritime security. To improve our ability to predict the impact and risk of these and other marine natural hazards, and better plan for emergency response, fine-scale coastal bathymetric and oceanographic data and advanced risk-based modeling approaches are needed.

Safety of life at sea also depends on reliable predictions about the behavior of the marine environment. Maritime incidents caused by a lack of appropriate information can be potentially catastrophic in terms of loss of human life, economic impact, degradation of the environment and the maintenance of safe navigation. Crucially, surveillance and security activities require legally robust data to support prevention and compliance activities and enhanced operational forecasts for the ocean, atmospheric and geo-hazard domains. Limited blue water and tsunami forecasting capacities exist for the open ocean and to some extent near shore, but long term commitment is required to develop a national operational oceanographic and geo-hazard forecasting capability with an enhanced coastal component.

To provide real benefit to the Australian community, these operational forecasting systems will need to focus on achieving true forecasting skill at fine spatial and temporal scales, predict seabed and shoreline conditions and be able to provide a

clear indication of the reliability of the forecast. These aspirations will need to be supported by a wide range of observations, collected both remotely and in situ, to feed into forecasting and compliance systems. Future sensors collecting these observations will need to be able to adjust to the limitations of environmental conditions such as turbidity, waves and other effects caused by the weather. Methods used to analyze the data, integrate and calculate the forecasts will also need to improve. As we acquire ocean data at finer scales and in real (or near real) time, the demand for efficient and inter-operable data systems will become critical. National ocean observation and data systems will provide rapid, more accurate and accessible forecasts of Australian ocean and geo-hazard conditions, potentially saving lives, averting major incidents, reducing industry operating costs and improving the efficiency of our Defence and other compliance forces and enhancing our ability to predict the impact and risk of marine natural hazards.

To meet the challenges ahead, Australia needs to invest in the three traditional pillars of science: observation, experimentation and modeling. Infrastructure is required for all these steps in the science process, ranging from observing technologies, through platforms such as research vessels, sustained observing systems, and experimental infrastructure, to data management, storage, manipulation and visualization technologies. A stable, sustained and predictable commitment to maintaining, updating and transforming infrastructure, and the human resources to run it, is critical to ensure the initial investment in new infrastructure delivers long-term and sustainable benefits. Investment in human capability is also required: training, skills development, mechanisms and incentives for collaboration. Finally, investment in science communication is needed to improve application and acceptance of science in policy, legislation and regulation. This will require communication of the relevance and need for marine science and the benefits gained from previous and ongoing investment in this element of the national innovation sector.

Source: [IndraStra Global](#) , 9 January 2016

## **Piracy – Guide for Tankers Operating in Asia against Piracy and Armed Robbery involving Oil Cargo Theft**

-West of England P&I Club

With an increase in the number of cargo thefts involving tankers in Asia since 2011, particularly incidents involving vessels of less than 3,000 GT, the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP), The Republic of Singapore Navy's Information Fusion Centre (IFC) and the S Rajaratnam School of International Studies (RSIS) have published a Guide for Tankers Operating in Asia against Piracy and Armed Robbery involving Oil Cargo Theft.

The introduction states that: "The aim of this guide is to illustrate the threat of piracy and armed robbery against ships in Asia, particularly incidents involving oil cargo theft; and to assist ships to avoid, deter or delay such incidents; as well as post incident management." The document is a prelude to a regional guide on piracy and armed robbery against ships which reportedly will be published in due course.

Although this new publication is aimed at tankers, it should be noted that much of the advice it contains may be applied to other vessel types.

Source: [Hellenic Shipping News](#), 9 January 2016

## **Inaugural Sri Lanka-Japan Dialogue on Maritime Security, Safety and Oceanic Issues held**

This Dialogue is a result of the very successful visit of Prime Minister Ranil Wickremesinghe to Japan last year and an outcome of the Joint Declaration on a Comprehensive Partnership between Sri Lanka and Japan concluded during that visit.

The two sides had a frank exchange of views on a range of subjects including the situation in the Indo Pacific Ocean Region; cooperation in the areas of Maritime Security and Safety; regional multilateral initiatives including activities within the ASEAN Regional Forum (ARF) and the Regional Cooperation Agreement on

Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP), and partnership between the two countries as maritime nations.

In his opening remarks at the meeting Secretary to the Ministry of Defence Eng. Karunasena Hettiarachchi referred to the longstanding friendly relations between the two countries and the assistance extended by Japan for the development of Sri Lanka and stated that the relationship was one that was characterized by "genuine affection". He also expressed appreciation for the commitments made to extend cooperation and contribute to the capacity building on maritime safety in fields such as maritime law enforcement, Search and Rescue (SAR), mitigation of disaster risks and environment protection, including the survey conducted with a view to providing patrol vessels. Both sides agreed that intensifying exchanges will pave the way for strengthening of cooperation between the two countries on maritime security and also enable the understanding of each other's concerns.

H. E Kenichi Suganuma, Ambassador of Japan said that under the tenure of President Maithirpala Sirisena, Japan- Sri Lanka relations has been ushered into a new era and this has been further consolidated by the establishment of a Comprehensive Partnership between the two countries during the visit of Prime Minister Wickremesinghe. The Ambassador referred to the strategically important geopolitical location of Sri Lanka overlooking the main Sea Lanes of Communication (SLOC) in the Indian Ocean. He said that securing the freedom of navigation and safety of sea routes is a major concern for Japan and added that they wish to see the establishment of an open, stable ocean where rule of law dominates. The Ambassador highlighted the importance of strengthening the bilateral relations between the two countries based on "shared values".

The meeting was co-chaired by Mr. Takashi Ariyoshi, Director/Southwest Asia Division, Ministry of Foreign Affairs of Japan and Mr. S Hettiarachchi, Additional Secretary (Defence) from the MoD of Sri Lanka. Representatives from the Japanese side included officials from the Ministries of Foreign Affairs, Defence, Coast Guard and the Embassy in Colombo. The representatives from the Sri Lanka side included Ministries of Foreign Affairs, Defence, Fisheries and Aquatic Resources Development, Army, Navy, Air Force, Coast Guard Department, Marine Environment Protection Authority, and the Director General/ Merchant Shipping.

Source: [Ministry of Defence](#), Srilanka, 14 January 2016



### **Navy Successfully Tests LRSAM's from INS Kolkata**

-Sherri Guerrero

The test-firing of the missile system, jointly developed by India and Israel, was carried out by warship INS Kolkata, the Ministry of Defence said in a statement said.

The missile along with the MF STAR would provide these ships the capability to neutralize aerial threats at extended ranges. The tests included a check on the tracking and guidance through the MF-STAR - a multifunction active electronically scanned array naval radar.

The project is a joint development with IAI and India's Defense Research and Development Organization (DRDO) as part of a 2006 agreement valued at \$350 million. "It gives a quantum jump to Navy's air defence capabilities", a Navy official said. Jointly developed by India and Israel, it was test-fired from on board INS Kolkata, the first stealth destroyer of the P15A class. While the exact range of the intercept of today's test hasn't been revealed, the missile's range is thought to have been extended up to a distance of beyond 90kms! In November, the missile was efficiently check-fired for the primary time from an Israeli naval platform.

The Barak-8 has been created to defend against a variety of short-to-long-range airborne threats, including fixed-wing aircraft, helicopters, drones and projectiles. Barak - 8 missiles exists in both maritime and land-based versions. Navy PRO, Captain DK Sharma on Wednesday said that Indian Navy has achieved a remarkable landmark in the area of long range missile for the safety of warships. The new missile system cost India \$1.4 billion and went into development in 2006.

Source: [WWNT Radio](#) , 1 January 2016

## **‘We See A Bright Future for Defence Ship Construction’**

-Huma Siddiqui

With the government placing increased attention on India’s maritime interests, there is a growing requirement of warships for the Indian Navy.

With the government placing increased attention on India’s maritime interests, there is a growing requirement of warships for the Indian Navy. Under these circumstances, defence shipbuilders like Mazagon Dock Ltd have their work cut out. The warship builder has worked out a collaborative strategy for taking the nation towards self-sufficiency in warship construction. MDL chairman and managing director, rear admiral (retired) R K Shrawat had an interaction with FE’s Huma Siddiqui. Excerpts:

Reports suggest that you are very heavily loaded and that this backlog will prevent you from taking on any further orders. What exactly is the status of your order book?

During the last three years, three major warships have been delivered to the Indian Navy. As of now, there is only one ship left for delivery, from the past orders. This ship, ‘Chennai’, is also being readied for commissioning next year. This will complete the P-15A series. Deliveries of ships under Projects P-15B, P-17A and Scorpene-class submarines are scheduled with effect from September 2016, and will continue till 2025. Thus, as of today, there is no real backlog. In terms of value of production (VOP), only R524 crore. The backlog has been cleared in the last three years.

*What about your VOP backlog?*

Our order book value of Rs 74,801 crore can be broken up into executable orders (Rs 49,074 crore) and orders yet to reach an executable stage (Rs 25,727 crore).

*What is the current position of P-75 submarines, and can you take on additional projects?*

Kalvari, the first P-75 boat, was launched at MDL in October 2015 and is scheduled to join the fleet in September 2016 under the contract. Timelines for the delivery of successive boats have been compressed to nine months and the project is expected to be completed by 2020. Hull fabrication of all six submarines is complete. As a result, this facility is now idling. Also, a new workshop is being created in our Alcock Yard

and is expected to be commissioned very soon. With this facility, a parallel, second line of construction of submarines can be activated in MDL. Besides this, the expertise gained in the construction of these boats puts MDL in a unique position to take on any further orders, be it the extension of the Scorpene project or of P-75I.

*What steps are proposed to be taken by MDL for enhancing productivity for future projects?*

MDL has recently undergone a massive modernisation programme, which includes, among other things, a module workshop and a 300 T Goliath crane. Ships of future projects commencing with 17A will therefore be built using the integrated construction methodology, which is expected to bring down timelines. A know-how provider has been appointed for initial hand-holding. We see a brighter future for ship construction in India.

*What difference has the new government made in the functioning of MDL or in general all defence PSUs?*

Defence minister Manohar Parrikar, after taking over, has moved promptly and taken a personal interest in resolving issues which were affecting the performance of DPSUs. He has taken periodic reviews at the MoD with all stakeholders and given specific time-bound directions. This has provided a renewed energy in the DPSUs as well as a renewed synergy between the MoD, the navy and shipyards. As a consequence of such direction, the pace of work on all projects at MDL has accelerated, whereby MDL has achieved its highest ever VOP of Rs 3,500 crore. This is 22% higher than the previous year, which itself is another record. He has also taken a personal interest in the submarine construction programme and the result is that the Scorpene project is back on track after years of stalemate.

Source: [Financial Express](#), 2 January 2016

## **Navy Set to get Amphibious Aircraft from Japanese Company**

-Amrita Nair-Ghaswalla

The Indian Navy is looking to acquire 12 US-2i (Utility Seaplane Mark 2) amphibious aircraft from ShinMaywa Industries, Japan. Both the countries recently inked an

agreement to facilitate the export of the amphibious search-and-rescue (SAR) aircraft to India. The deal is estimated at \$1.65 billion. Sources indicated that during the visit of Japanese Prime Minister Shinzo Abe to India on December 12, the two countries signed an accord related to the ‘transfer of defence equipment and technology co-operation’.

### *Joint Research*

The “agreement provides a framework to enhance defence and security co-operation by making available to each other, defence equipment and technology necessary to implement joint research, development and production,” sources pointed out.

The Indian signatory to the accord was S Jaishankar, Foreign Secretary, while Kenji Hiramatsu, Ambassador of Japan to India, was the Japanese signatory.

### *Security Measures*

Another agreement was signed concerning security measures for the protection of classified military information, between Indian signatory G Mohan Kumar, Defence Secretary, and Hiramatsu. The two countries had earlier expressed their intention to explore potential future projects on defence equipment and technology cooperation such as US-2 amphibious aircraft. ShinMaywa Industries, the manufacturer of the US-2 amphibious aircraft, has already initiated discussions with several Indian companies to reportedly assemble the aircraft in India.

Some of the names include Mahindra Defence, Hindustan Aeronautics, Tata Aerospace, L&T and Pipavav Defence.

The version that is being offered to India is the US-2i. Sources indicated that the basic capability of the US-2i aircraft that India has asked for is the same as the US-2.

Only certain equipment changes have been made to cater to the Indian Navy’s role requirement, according to the RFI (request for information).

### *Two-Decade Presence*

Incidentally, Shin Maywa Industries has been present in India for around 20 years, and provided aerobridges for airports and has set up waste water treatment pumps across the country. The US-2 is the first Japanese aircraft offered to India. Sources

said two US-2i would be imported first, off-the-shelf, while the other 10 would be manufactured in India, under technology transfer arrangements by ShinMaywa Industries with an Indian partner.

Currently, the Japan Maritime Self Defence Force currently operates seven US-2s.

Sources: [The Hindu](#), 3 January 2016

### **China to Deploy More Refitted Warships in Disputed Waters, H.K. Group Says**

China is refitting five more former warships as armed coast guard vessels with the aim of deploying them in disputed waters, a Hong Kong-based watchdog said Monday. Deployments may include near the Japan-held Senkaku Islands.

The Information Center for Human Rights and Democracy quoted sources as saying refits of three Jiangwei-class guided-missile frigates are now complete, while ongoing work on two Luda-class guided-missile destroyers will be finished within the year. China Coast Guard vessels will be deployed not only near the Senkakus, which are known to China as Diaoyu, but also in waters near Vietnam and North Korea, the center said.

“The coast guard vessels have retained the machine-gun cannons,” it said. “They can launch shrapnel shells and armor-piercing ammo and have higher speed than the original warships after slashing weight.”

The report comes a day after four China Coast Guard vessels, including one armed with guns, were spotted near the Senkakus, according to the Japan Coast Guard.

The center said that one of them, the Haijing 31241, is a refitted frigate equipped with Type 76A guns of 37 mm caliber and shrapnel shell launchers, while the same goes for the Haijing 31239 seen sailing in the area on Dec. 26. Chinese ships have often been seen in the area after the Japanese government purchased a major part of the uninhabited islands from a Japanese private landholder and put them under state control in 2012. The isles are claimed by both China and Taiwan.

Questioned on Dec. 23 about the patrols, a Chinese Foreign Ministry spokesman replied: "The equipment on Chinese coast guard vessels is standard equipment and no different from other countries' practice." He added, the patrols are "totally justified."

Source: [The Japan Times](#), 5 January 2016

## **Welcome to New Reality: Russia and China Challenge US Naval Supremacy**

- Xinhua

Russia and China have achieved remarkable success in their efforts to develop advanced navies, which presents a challenge to America's naval supremacy at a time when the US Navy is trying to adapt to the changing security environment, US Chief of Naval Operations Admiral John Richardson said.

"For the first time in 25 years, the United States is facing a return to great power competition. Russia and China both have advanced their military capabilities to act as global powers," he stated in a report, titled "A Design for Maintaining Maritime Superiority." Both countries possess a "growing arsenal of high-end warfighting capabilities," designed to exploit the US Navy's "vulnerabilities" and "to leverage the maritime, technological and information systems," the document noted.

Russian Pacific Fleet warships during a naval parade in the Peter the Great Bay marking the wrap-up of the Joint Sea 2015 II Russian-Chinese naval drill Russian Pacific Fleet warships during a naval parade in the Peter the Great Bay marking the wrap-up of the "Joint Sea 2015 II" Russian-Chinese naval drill In addition, Russia and China "continue to develop and field information-enabled weapons, both kinetic and non-kinetic, with increasing range, precision and destructive capacity."

"The Russian Navy is operating with a frequency and in areas not seen for almost two decades, and the Chinese PLA(N) is extending its reach around the world," the report added.

The document, released on Tuesday, also mentioned other players, who are trying to acquire "advanced technology, including military technologies that were once the

exclusive province of great powers." Richardson listed North Korea, Iran's "advanced missiles, proxy forces and other conventional capabilities," as well as international terrorist organizations as a threat to the US. "Coupled with a continued dedication to furthering its nuclear weapons and missile programs, North Korea's provocative actions continue to threaten security in North Asia and beyond," the document stated.

Incidentally, on Wednesday, Pyongyang announced that North Korea successfully tested a hydrogen bomb. Russia condemned the move as a violation of international law and urged all stakeholders to look for a diplomatic solution to the issue.

Source: [Sputnik News](#), 6 January 2016

### **Indian Coast Guard Ship Calls on Myanmar's Yangon Port**

An Indian coast guard ship called on Myanmar's Yangon Port on Thursday, aimed at enhancing maritime cooperation between India and Myanmar. The VARAD, an offshore patrol vessel designed and built by Goa Shipyard Ltd, carries 11 officers and 95 sailors.

The ship has an endurance of over 5,000 nautical miles and is regularly undertaking anti-smuggling, anti-poaching patrol in addition to tasks related to preservation and protection of marine environment and search and rescue at sea.

The ship is designed to carry a Chetak helicopter that enhances the surveillance, interdiction and search and rescue capability of the ship. The ship's five-day visit to Yangon came more than seven months after that of an Indian Naval Ship to Yangon's Thilawa Port in May last year.

Source: [Shanghai Daily](#), 7 January 2016

## **China and Pakistan Join Forces under the Sea**

- Koh Swee Lean Collin

While attention has been on the simmering tensions in the East and South China Seas lately, a small event took place in the East China Sea off the coast of Shanghai. Pakistan Navy (PN) guided missile frigate Shamsheer and fleet replenishment vessel Nasr drilled with a pair of PLA Navy Type-054A Jiangkai II frigates, Xuzhou and Yangzhou from December 31 to January 1.

According to Chinese reports, the fast-paced, high-intensity exercise involved day and night maneuvers including joint escort, counter-piracy and live-firing. This constitutes a logical progression from the limited scope when this bilateral exercise first began in 2003 as a simple search-and-rescue drill. The objectives of these exercises are to hone interoperability between the two navies, while affording PN personnel the opportunity to get acquainted with Chinese technologies.

What was new in this latest iteration, however, was the inclusion of an anti-submarine warfare (ASW) component for the first time. Shamsheer, Xuzhou and Yangzhou cooperatively tracked a simulated submarine threats in the exercises. The ships relied on close communication, information-sharing and passive sonar techniques to triangulate the position of the suspected 'enemy' submarine, eventually striking it with a simulated ASW torpedo by one of the Chinese frigates.

This exercise marks yet another milestone for Sino-Pakistani naval cooperation. Commodore Bilal Abdul Nasir, Commander 25th Destroyer Squadron who led the PN flotilla, called the exercises "very significant" as they sought to enhance interoperability and cohesion between the two navies, adding euphemistically that "the time-tested relations, which are often referred as higher than the Himalayas, deeper than oceans, sweeter than honey, and stronger than steel, are testimonies to the strong bonding between the two countries and their people."

*Just how deep is the Sino-Pakistani naval relationship?*

Pakistan has often been touted by Beijing as its foremost "all-weather friend." The bilateral naval relationship is justifiably the most developed China has cultivated with a foreign state. The 2003 exercise was actually the first joint training exercise the PLA Navy ever conducted with a foreign counterpart. Its presence at the

inaugural PN-hosted AMAN series exercise in the Arabian Sea in 2007 was also the PLA Navy's first-ever participation in a foreign multinational naval exercise.

While Pakistan facilitated the building of Chinese naval presence in the Indian Ocean, Beijing also opened valuable inroads for PN to undertake broader regional initiatives. Notably, China helped gain observer status for Pakistan in the Western Pacific Naval Symposium in 2014, the same time PN participated in the PLA Navy-hosted Multilateral Maritime Exercise. In return for getting Islamabad's facilitation in building its Indian Ocean naval presence, China provided immense aid to Pakistan's development and materiel for its navy.

However, the China-Pakistan Economic Corridor (CPEC), revolving around the Gwadar deep-sea port on the restive Pakistani province of Balochistan, remains a controversial project. Top Islamabad policy elites sought to promote CPEC as a flagship project that promises long-awaited economic invigoration for the country. But this project is not without controversy; it not only impinges directly upon the pre-existing Indo-Pakistan terrestrial disputes (especially since the CPEC route will also pass through Pakistan-occupied Kashmir), but also invites domestic skepticism within the South Asian country as to the extent of benefits for people in the province.

As such, Gwadar is viewed by both local and outside skeptics as more of a pawn in Beijing's grand plan to entrench its Indian Ocean naval presence. Islamabad, it must be said, did not shirk from this expressed intent. "We have asked our Chinese brothers to please build a naval base at Gwadar," Pakistan Defense Minister Chaudhary Ahmad Mukhtar told the Financial Times in May 2011, confirming that the request was conveyed to China during the visit by Prime Minister Yusuf Raza Gilani to Beijing. Meanwhile, a senior Pakistani official was quoted as saying that "the naval base is something we hope will allow Chinese vessels to regularly visit in [the] future and also use the place for repair and maintenance of their fleet in the [Indian Ocean region]."

In fact, Pakistan has long sought to facilitate the enhancement of Chinese naval presence in the Indian Ocean, by tapping its strategic geographical location in the Arabian Sea and long coastline. "We can provide facilities, ports, logistics, maintenance among other things (to Chinese navy)," a PN official remarked. Obviously, doing so helps Islamabad stave off the pressure from India, with whom

the former has long perceived a naval force imbalance, especially in the undersea arena as New Delhi seeks to enhance its submarine capabilities.

### *Eroding Pakistani Advantages in the Undersea Arena*

Traditionally, Pakistan lags behind India in the number of submarines but this is at least partially compensated for with quality, especially from the 1980s to 1990s. The French-built Agosta-90 (Khalid) diesel-electric powered submarines (SSKs) gave PN an air-independent propulsion (AIP)—also the first-ever such capability in the Indian Ocean. PN boats also enjoy an edge in standoff striking power; being armed with UGM-84 Sub-Harpoon underwater-launched anti-ship missiles.

By contrast, the Indian Navy has relied on a motley mix of early Western and Soviet SSKs. The West German-built Type-209 (Shishumar) can be deemed most modern of all, but they lack standoff weapons. They operated alongside the old Soviet Project-641 Foxtrot class, and even the Kilo class (Sindhughosh) later inducted by the Indians was a less-capable, export model of the earliest Project-877 variant first introduced by the Soviets in the 1970s. Likewise, the end of lease of a Soviet Project-670 (Charlie-I) class nuclear submarine, equipped with P-70 (SS-N-7 Starbright) anti-ship cruise missiles, means that the Indian Navy lacked an equivalent capability until the mid-2000s.

But Pakistan's qualitative advantages vis-à-vis India are fast eroding, especially ever since India reinvigorated its undersea capabilities by leasing a Project-971U (Akula-II) class nuclear submarine leased from Russia in the mid-2000s and retrofitting the Sindhughosh SSKs with Russian Klub-S cruise missiles. Despite recent setbacks, such as the accident involving the Kilo boat Sindhurakshak in 2013, the Indian Navy is tipped to make further progress. Its first indigenous nuclear missile submarine Arihant is close to operational status and India's first AIP-equipped SSKs will arrive upon completion of the final pair of Project-75 Scorpene boats. Even in the interim, the Shishumar SSKs began to be retrofitted with Sub-Harpoons acquired from Washington.

Islamabad watches these alarming developments in consternation, given that PN premises its maritime defense on a strong subsurface capability to deter the stronger Indian Navy through sea denial and limited defensive sea control. In particular, submarines are the PN's best hope to break a conceivable Indian blockade of key

Pakistani ports such as Karachi, on which the country's survival hinges in times of war.

### *“Sinicization” of PN’s Undersea Strategy?*

Logically, Islamabad’s response will be to sustain and enhance PN’s undersea capabilities, finding ways to keep in pace with, if not restore the qualitative advantages over, the Indian Navy. But PN has long suffered from chronic budget shortfalls. In November 2015, just 10 percent of the defence budget was reportedly allocated to PN, making even daily routine operations, maintenance and repairs a challenge. Not to mention also narrowing PN’s procurement options in the face of critical capability gaps.

For decades, PN has operated a mixture of American and European surface ASW and subsurface assets. As the Cold War-vintage American and European frigate force—PN’s premier surface ASW platforms—gradually atrophied, seeking timely replacements took on greater urgency. The aim, as outlined by Pakistan chief of naval staff, Admiral Muhammad Afzal Tahir, in April 2008 during an interview with Jane’s Navy International, was to acquire at fair price and within a relatively short timeframe four to eight second-hand ships to fill the fleet capability gap for a five-to-ten-year period.

Four modified Type-053H3 Jianghu (F-22P Zulfiqar) frigates and six Z-9EC ASW helicopters procured in April 2005 by PN would for the time being partially fill the critical shortfalls. But clearly PN needs more, and prefers Western. The six ex-British Type-21 (Tariq) frigates are fast reaching the end of their useful lifespan, and one was recently retired. Yet Western choices are not forthcoming. Of the at least six Oliver Hazard Perry class frigates Islamabad had requested from Washington since 2007, only one (Alamgir) was obtained. Earlier attempts to procure second-hand British Type-23, Greek Elli and Belgian Wielingen class frigates were unsuccessful.

The same conundrum applies to PN’s submarine procurement. A number of foreign vendors including China made their offerings, and Islamabad initially preferred Western makes, given its long history of operating such boats. Pakistan’s quest for Type-214 SSKs floundered due to domestic opposition in Germany. Paris refused to sell the Scorpene because, among various reasons, it is supplying the same boats to India; technology transfer problems; and the 1994 Agosta submarine scandal. These

circumstances mean that Islamabad found it difficult, if not impossible, to procure from Western sources.

PN has therefore come to embrace Chinese naval technology more readily, calling some of which—in particular the F-22P frigates—to be “as good as in Western countries.” PN officials also rejected concerns within the National Assembly’s Standing Committee on Defence regarding inferior Chinese technology, justifying that the JF-17 Thunder fighter-jets co-produced with China had proven to be world-class. During an interview with Global Times in April 2014, Pakistan CNS Admiral Asif Sandila remarked that “as a matter of fact I will say the best of our ships are from China.”

Source: [The National Interest](#) 7 January 2016

### **India-Japan Joint Exercise at Sea on Jan 15**

"Sahyog-Kaijin', a joint exercise at sea by the Indian and Japan Coast Guard would be held at Bay of Bengal on January 15.

Defence sources said ICG Ship 'Samudra Pehredar' and Japan Coast Guard ship 'Echigo' would be participating in the Joint exercise.

Vice Admiral H C S Bisht, Director General Indian Coast Guard and Vice Admiral Hideyo Hanamizu, Vice Commandant, Japan Coast Guard would be witnessing the Joint Exercise at sea. A day at sea would be organised on January 17 for the media fraternity and dignitaries as part of the exercise. UNI GV VV AR1353

Source: [Webindia123.com](#), 8 January 2016

### **Finnish Border Guard Deploys OPV for Mediterranean Maritime Security Operation**

John Pagni, Helsinki

#### *Key Points*

- Finland has deployed an OPV to support maritime security operations in the Aegean Sea

- This is the first time that the Finnish Border Guard has deployed an OPV for such operations abroad

The Finnish Border Guard offshore patrol vessel (OPV) FNS Merikarhu sailed from Helsinki on 7 January to support a European Union (EU) maritime security operation in the Aegean Sea, in the first time that Finland has deployed an OPV for such operations abroad.

The deployment of the Improved Tursas-class ship to the operation - the operation co-ordinated by EU Border Security Agency Frontex - in the eastern Aegean Sea follows a request received from Greece in December 2015. The region is regarded as a 'hot spot' for maritime migration activity, and Finland's border guard already has a small coastal patrol boat deployed to the operation (the patrol boat arrived off the island of Kos on 13 October 2015, and will operate in this region until 29 February).

Merikarhu will be based at the island of Leros, and its duties - under Greek command, with the Hellenic Coast Guard leading the operation - will include patrolling between the Greek islands and the Turkish coast. At a pre-departure briefing on 7 January, Lieutenant Commander Mikko Simola, the border guard's liaison officer with Frontex, described Merikarhu 's duties as including border controls and improving situational awareness in its area of operations, in particular helping to control and manage the flow of migrants at sea. Lt Cdr Simola highlighted the wider added value of Merikarhu 's participation for Finland and other EU states, noting that "by enhancing border security in Greece, the Finnish Border Guard supports the internal security of the whole Schengen area."

Built in 1994 and previously the border guard's flagship, Merikarhu has been updated with equipment including a thermal camera (which can help spot gatherings of people on the coastline), satellite communications, two rigid-hull inflatable boats, medical facilities, and a 6-ton crane.

Source: [IHS Jane's 360](#), 8 January 2016

## **INS Kadmatt Joins Eastern Fleet**

The Indian Navy achieved another milestone by commissioning INS Kadmatt, an anti-submarine warfare (ASW) corvette, into the Eastern Fleet here on Thursday. INS Kadmatt, which is more than 90% indigenously built, is the second warship of Project 28 class and will augment the mobility, reach and flexibility of the Indian Navy.

Addressing the gathering at the Eastern Naval Command (ENC) base after commissioning the vessel built by Garden Reach Shipbuilders and Engineers Limited, Indian Navy Chief Admiral RK Dhowan said this marks yet another milestone in the Indian Navy's journey toward self-reliance and the 'Make in India' objective. He said the ship was the proud successor of the older Petya class Kadmatt. The earlier Kadmatt, which is also an ASW Corvette, was acquired from the former Soviet Union in 1968. The ship was in service for 24 years and used in 1971 during the Indo-Pak war and in 1988 during Operation Pawan in Sri Lanka. The new INS Kadmatt will be the youngest ship to take part in the International Fleet Review.

In another 15 years, the Indian Navy plans to achieve 100% indigenisation of warships in association with the Defence Research Development Organisation (DRDO) and public sector shipyards and private companies, Dhowan said. "We are lacking in magazine fire fighting systems, gearbox and machinery and a few other equipment and DRDO has been focusing on the sector to fulfill the needs of the Indian Navy to make indigenous warships," he said.

"The Bay of Bengal is the longest bay in the world that witnesses 70,000 ships transit it every year. ENC has the responsibility to keep the country's maritime interests safe and secure. INS Kadmatt will play a key role in ensuring maritime security," the Admiral said. Interacting with media persons, the Indian Navy chief said multifarious missions can be undertaken by the ship and that would reflect the enhanced multi-dimensional capability of the Indian Navy. INS Kadmatt has a potent strike capability with guns, close-in weapon system, heavy weight torpedoes and anti-submarine rockets. INS Kadmatt is named after one of the large islands in the Lakshadweep group off the west coast of India. The Lakshadweep Islands is base for INS Dweeprakshak.

The commissioning of INS Kadmatt signifies the importance of the Indian Island territories as the country's maritime interests, said the Admiral. The ships of P28 class have been constructed using high grade steel (DMR 249A) produced in India. With a displacement of 3300 tonnes, the sleek and magnificent ship spans 109 meters in length and 13.7 meters at the beam and is propelled by four diesel engines to achieve speeds in excess of 25 knots with an endurance of 3450 Nm.

Earlier, the Indian Navy chief inspected the guard of honour, took salute and also unveiled the ship's plaque. ENC chief Vice Admiral Satish Soni said the Indian Navy has long been associated with the GRSE, which delivered the first warship INS Ajay in 1961. He said the new Kadmatt will see the beginning of other commissionings. Large number of naval officers including retired officers attended the function.

Sources: [Times of India](#), 8 January 2016

### **Chinese Vessels – One Armed – Enter Japanese Waters Near Senkakus**

Two China Coast Guard vessels, one of which is equipped with what the Japan Coast Guard said were guns, briefly entered Japanese territorial waters around the disputed Senkaku Islands in the East China Sea on Friday. The intrusion occurred at around 2:20 p.m. and the ships left the waters about 100 minutes later, according to the Japan Coast Guard. Chinese vessels were last found sailing in Japanese territorial waters near the Senkakus on Dec. 26.

When a Japan Coast Guard patrol ship warned the Haijing 2401 and the Haijing 31241, the vessel believed to be armed, they replied that the Japanese ship had entered Chinese territorial waters and asked it to leave, according to the 11th Regional Coast Guard Headquarters in Naha, Okinawa Prefecture. Separately, a Chinese marine research ship was spotted within Japan's exclusive economic zone about 415 km southeast of Okinawa's main island. It marked the fourth straight day that a Chinese survey ship was found operating in the area. China and Taiwan claim the Senkaku Islands, calling them Diaoyu and Tiaoyutai, respectively. China stepped up its claim to the islets after Japan purchased three of the islands from a Japanese individual and put them under state control in 2012.

Source: [The Japan Times News](#) , 9 January 2016

## **Navy: Video Shows Iranian Rockets Launched near Truman, Other Warships**

The U.S. Navy released a video in response to a Military Times FOIA request of what the Navy says is an Iranian ship on Dec. 26 firing several unguided rockets near the aircraft carrier Harry S. Truman and other Western warships and commercial craft. The U.S. military released a video Saturday showing what it says is an Iranian military vessel firing several unguided rockets near the aircraft carrier Harry S. Truman and other Western warships and commercial craft.

The incident occurred Dec. 26 in the Strait of Hormuz. Navy officials released the video to Military Times in response to a Freedom of Information Act request. The images show what appears to be an Iranian Revolutionary Guard vessel firing rockets from a distance of about 1,370 meters.

Officials with U.S. Central Command first disclosed details about the incident last month. Approximately 20 minutes before the incident occurred, the Iranians had announced over maritime radio that they would be carrying out a live-fire exercise, officials said.

Although the rockets traveled away from the Truman, firing weapons "so close to passing coalition ships and commercial traffic within an internationally recognized maritime traffic lane is unsafe, unprofessional and inconsistent with international maritime law," said Cmdr. Kevin Stephens, a spokesman for the U.S. Navy's Fifth Fleet. Iran had dismissed the U.S. claim as "psychological warfare" against the Islamic Republic.

"The Guard's Navy had no drills in the vicinity of the Strait of Hormuz and didn't fire missiles or rockets during the past week and the time claimed by the Americans," Gen. Ramezan Sharif, a Revolutionary Guard spokesman, said on the Revolutionary Guard's website.

Stephens said on Saturday that while "most interactions between Iranian forces and the U.S. Navy are professional, safe, and routine, this event was not and runs contrary to efforts to ensure freedom of navigation and maritime safety in the global commons."

Source: [Maritime Times](#), 9 January 2016

## **China's Rocket Force May Include Nuke Submarines and Bombers**

-K J M Varma

China's newly-formed Rocket Force, a revamped unit of its strategic missile force may include nuclear submarines and bombers, making it the first independent unit in the world with integrated land, sea and air nuclear forces, the Chinese military said.

After incorporating the navy's strategic nuclear submarine and the air force's strategic bomber, the PLA Rocket Force will be the first independent service with land, sea and air nuclear forces in the world that is much more integrated than those of the US, Russia, Britain and France, an article in the military's official publication 'China Military Online' quoted an expert as saying. The People's Liberation Army (PLA) kicked off the New Year with a major revamp of its 2.3 million-strong military, elevating the status of strategic missile force to be placed along with army, navy and air force. It also formed a new Strategic Support Force (SSF) to provide proper electronic and cyber intelligence backup for precision missiles strikes during war.

President Xi Jinping renamed the Second Artillery Corp (SAC) which was formed in 1966 as the PLA Rocket Force (PRF) and announced the formation of the SSF at a special ceremony. With a variety of short, medium and long range nuclear and conventional missiles, China's missile force is regarded as one of the biggest missile forces in the world.

What drew special attention is that the Second Artillery Corp which used to be an independent arm was upgraded as the Rocket Force, an independent service, reminiscent of the Strategic Missile Force in the former Soviet Union and Russia that keeps the western world on edge, the article said. "China is always faced with the blockade and containment of superpowers.

The country on the other side of the ocean has a powerful navy and air force and boasts the world's top air and sea supremacy and strongest conventional long-range precision strike and delivery capability, which China's navy and air force won't be

able to comprehensively compete with in the short term,” the article said quoting Song Zhongping, ex-instructor at PLA Second Artillery Engineering University.

Source: [The Free Press Journal](#), 12 January 2016

## **Chinese Marines' Desert Operations Point to Long-Range Ambitions**

-Michael Martina and Greg Torode

Days after China passed a new law that for the first time permits its military to venture overseas on counter-terror operations, its marines began exercises in the western deserts of Xinjiang, more than 2,000 kilometres from the nearest ocean.

The continuing drills are an indication, analysts say, that the marines, who have traditionally trained for amphibious assault missions, are being honed into an elite force capable of deploying on land far from mainland China.

China's limited means to respond to threats abroad were highlighted by two incidents in November: when Islamic State executed a Chinese hostage, and the killing of three executives by Islamist militants who attacked a hotel in Mali. China's new counter-terrorism law, passed in late December, is aimed at protecting its expanding global commercial and diplomatic interests. But China's military commanders are also trying to create a military in the likeness of the world's most dominant power projection force, analysts say.

"They study what the Americans have done very carefully and it's the mirror image effect," said Leszek Buszynski, a visiting fellow at the Australian National University's Strategic and Defence Studies Centre. The cold weather training will improve the marines' ability to conduct "long-distance mobilization in unfamiliar regions", the deputy chief of staff of the Navy's South Sea fleet Li Xiaoyan said in a Ministry of Defense statement earlier this month.

During the drills, the marines will travel 5,900 kilometres via air, truck and rail beginning in the southern province of Guangdong, the longest range manoeuvres ever conducted by the force, state media said.

### *Expeditionary Force*

The exercises are the latest in recent years that show the efforts China is making to boost its expeditionary force capabilities.

In 2014, the marines conducted their first training in the grasslands of the northern landlocked Inner Mongolia region. At the time, the exercise was seen as unusual for the south China-based force more proficient in beach landings. Since those drills, the roughly 15,000-strong marine corps, which operates under the People's Liberation Army (PLA) Navy's South Sea fleet, appears to be settling into a new niche.

"They never really had a major strategic role, as force projection wasn't something the PLA was willing, or able, to think about even ten years ago," said Gary Li, an independent security analyst in Beijing. With amphibious divisions in the PLA Army also capable of extending China's reach into the South China Sea and Taiwan, Li said the marines are a good fit for a budding Chinese expeditionary force.

"The main advantage of playing around with the marines is that they have a higher concentration of specialists, act well as light infantry, have good esprit de corps, and are nimble enough to be deployed over long distances if needed," he said.

### *Rising Global Profile*

Along with President Xi Jinping's vows to build a more modern military, the global profile of China's armed forces is on the rise. Already, the South Sea fleet, which is based on the mainland coast near the island of Hainan, has been used on operations far from the South China Sea.

The fleet's vessels have ventured to the Middle East and Mediterranean after deployments on international anti-piracy patrols around the Horn of Africa. Chinese officials announced in November they were in talks with Djibouti to build permanent "support facilities" to further boost Chinese naval operations, in what would be China's first such off-shore military base.

The African port, sitting on the edge of the Red and Arabian seas, is home to several foreign military bases, including U.S., French and Japanese naval facilities. China is also expanding its peacekeeping role, with Xi pledging in September to contribute

8,000 troops for a U.N. stand-by force that could provide logistical and operational experience the PLA would need to operate farther abroad.

While China has been getting more involved diplomatically in trouble spots like the Middle East, it is adamant that it does not interfere in the affairs of other countries, and is the only permanent member of the U.N. Security Council which has not taken military action in Syria. The Defense Ministry said in a fax that the drills were part of "annual planned" exercises.

For now, China's marines are advancing only through the snow fields of Xinjiang, as depicted in state media photographs, still wearing their speckled blue fatigues designed for operations at sea. But that could shift in time. "China's global security posture is becoming more active," said Zhang Baohui, a mainland security expert at Hong Kong's Lingnan University. "And this seems to fit that policy."

Source: [Mail Online](#), 14 January 2016

### **Indo-Japan Coastguards to Begin Joint Exercise Today**

The Coast Guards of India and Japan will be conducting a joint exercise called 'Sahyog-Kaijin' off the Chennai coast today. According to reports, the focus of the bilateral training would be anti-piracy, search and rescue operations and interoperability between the two forces.

Indian Coast Guard (ICG) vessel Samudra Pehredar and the Japanese vessel Echigo are berthed at Chennai Port. The Director General of Indian Coast Guard Vice Admiral HCS Bisht, Vice Commandant of the Japanese Coast Guard, Vice Admiral Hideyo Hanamizu and other prominent officials would be witnessing the day-long event.

Source: [ANI News](#), 15 January 2016



### **Giant Container Ships Arrive on US Shores, But Many Ports Not Prepared for Era of Megaships**

-Maria Gallucci

The era of megaships has arrived on U.S. shores. The two largest container ships ever to unload in North America reached Los Angeles in late December, marking a milestone as the global shipping industry increasingly turns to colossal vessels to drive down costs.

The larger of the two ships, the CMS CGM Benjamin Franklin, stretches 1,300 feet — about as long as the Empire State Building is tall. About 1,500 longshoremen spent about 56 hours moving nearly 11,230 containers on and off the ship before the visit ended Dec. 30, the Port of Los Angeles said.

Megaships are designed to move more goods on less fuel, boosting both market share and efficiency for transportation companies. The average container ship being built today is nearly three times the size of the average ship a decade ago, and builders expect ship volumes to keep growing in the next two years. Yet as the size of cargo ships balloon around the world, North American ports are struggling to catch up.

Many bridges and docks on the West and East coasts are too low or narrow to accommodate the megaships. Logistics teams, labor crews and railroad networks are often too small to handle the sudden glut of containers these ships deliver. While ports in Asia and Europe already work with megaships, U.S. and Canadian ports need to undergo billions of dollars in infrastructure upgrades to meet the mammoth-size demand.

"Everything has been built around what the status quo is now, and you're upping the ante here," Jim Blaeser, a maritime analyst at global consulting firm AlixPartners, told the Los Angeles Times this week.

The Port of Los Angeles is undergoing a \$510 million project to expand its cargo-handling capacity at the TraPac terminal. Next door, two Long Beach port terminals are in the midst of a \$1.3 billion expansion that will create one of the country's most

automated docks. A separate \$1.3 billion plan in Long Beach will replace the Gerald Desmond Bridge, which is too low for the megaships expected to arrive in the next five years.

The port of Oakland and ports of Seattle and Tacoma, Washington, also have terminals large enough to accommodate megaships. The Prince Rupert port in British Columbia, Canada, is on track to handle such vessels by 2017, followed by the Port of Vancouver early next decade, the Los Angeles Times reported.

On the U.S. East Coast, port operators are similarly racing to modernize. The Georgia Ports Authority, which owns the Port of Savannah, is spending about \$1.5 billion in the next decade to improve crane operations, storage facilities and other infrastructure. The state of Georgia is spending \$120 million more to improve roads near the port this year. In New York and New Jersey, the joint port authority is carrying out a more than \$1 billion plan to raise the Bayonne Bridge connecting Staten Island and New Jersey to allow for taller vessels.

As the world shifts toward bigger ships, however, some transportation experts have questioned whether the megaships are worth the hassle.

The foremost challenge with giant ships is that supply far outstrips demand. Analysts at Moody's Investors Service estimated while global container ship capacity would grow up to 10 percent through the end of 2015, demand would grow only about 4 percent, according to a November report.

"The growth of containerized seaborne trade is no longer in line with the growth of the world container fleet," Olaf Merk, administrator of ports and shipping at the OECD's International Transport Forum, said on an economic policy blog. "We found a disconnect between what is going on in the boardrooms of shipping lines and the real world."

If shipping companies aren't filling up these megaships, then the savings per each transported container declines, Merk and his colleagues found in a June 2015 report on megaships. At the same time, the cost of operating and accommodating these giant ships is substantial.

The International Transport Forum's June 2015 report on megaships charts the development of container ship sizes since 1970.

Expanding infrastructure and upgrading ports to cater to bigger ships could amount to roughly \$400 million in additional annual transportation costs, the report said. About a third of those extra costs might be related to equipment, another third to dredging, and a final third to port infrastructure and surrounding facilities.

The ships themselves carry extra expenses. Megaships stay on average 20 percent longer in ports than conventional ships, requiring port authorities to spend more time and provide more services to accommodate the longer-staying vessels, Merk said. Insuring and salvaging unprecedented loads of cargo is another strain for operators. And congestion at ports is already rising as trucks and trains scramble to load and offload tens of thousands of containers at a time.

Still, Merk said megaships — which account for about an eighth of the total global shipping fleet — will soon become the new normal for many major ports around the world. "One thing is sure: this will lead us to a decade of port gridlock if nothing is done," he wrote.

Source: [International Business Times](#), 1 January 2016

## **Horizon Trader Ship Accused for Discharging of Toxic Waste in Indian Ocean**

-Svilen Petrov

The container ship Horizon Trader was accused for illegal discharging of Persistent Organic Pollutants, asbestos and possibly with radioactive substances off North Maharashtra near Hazira, Gujarat in India. The ship laden with radioactive substances and organic pollutants, reported engine problem and blackout in the area with intentions to discharge the toxic waste into the Indian ocean. At the scene of the accident was dispatched salvage tug, which should assist with towing of the container carrier to Alang port in Gujarat, India. The ship AIS was turned off and her position was unknown, but according to local authorities and international toxic waste watchdog, the vessel intended and even succeeded to discharge toxic products off North Maharashtra.

After two days of monitoring, finally the disabled container ship Horizon Trader and the towing tug Gauntlet were spotted in Mauritius waters performing salvage operation to Alang port. According to the Basel Action Network (BAN), the Maritime Rescue Coordination Centre (MRCC), Mumbai, and the Coast Guard the American vessel Horizon Trader has falsely claimed blackout but reportedly has the intention of dumping toxic waste into Indian waters. However, the vessel might be stranded due to commercial dispute of the shipowner and sales agreement.

The container ship Horizon Trader is owned by US shipping company Matson Inc, which has sold Horizon Trader for primitive ship breaking at Alang. The cargo vessel was last owned by All Star Metals of Brownsville, Texas. Basel Action Network has also obtained the original memorandum of agreement for the sale of Horizon Trader, which shows that the buyer would responsibly recycle the vessel in USA. The vessel will be under monitoring and detained in Indian waters before further investigation of the agreement and check for traces of toxic waste, which might put country's maritime security and environment at risk.

“The Gauntlet has restricted mobility because it is towing the Trader but as soon as the tug leaves the vessel it appears there is no way of keeping track of the Trader”, said the New Delhi-based activist from Toxic Watch Alliance, Gopal Krishna.

The container ship Horizon Trader (IMO: 7326233) has overall length of 248.00 m, moulded beam of 27.00 m and maximum draft of 6.70 m. The deadweight of the vessel is 31,446 DWT and the gross tonnage is 28,212 GRT. The ship was built in 1973 by Ingalls Shipbuilding in their shipyard in Pascagoula Ms, USA.

Source: [Maritime News](#), 2 January 2016

## **South Korea Approved Funding Of Shipping Industry Worth 1.2 Billion USD**

-Svilen Petrov

South Korea shipbuildingSouth Korea approved funding of shipping industry worth 1.2 billion USD, which aims to boost the maritime sector of the country and to support the delaying economy. The fund will be led by local commercial banks and

state-controlled finance companies, including Korea Trade Insurance Corporation, Korea Development Bank and Export-Import Bank of Korea. The money will be used to guarantee acquisition of new vessels ordered in the country shipyard, as well as well development and modernization. This will both stimulate and provide stability shipping and shipbuilding industries.

The fund, which will stimulate the shipping industry, would received 50% from the finances in form of bonds from commercial banks, while state-controlled banks will have 40% from the fund in form of subordinated bonds. The remaining 10% from the fund will be covered by the shipping companies.

With establishing of the 1.2 billion USD fund for stimulation of the shipping, South Korea aims to bring stability in the sector and facilitate ship owners investment into new vessels, which will also stimulate the problematic shipbuilding companies Hyundai Heavy Industries, Daewoo Shipbuilding and Marine Engineering and Samsung Heavy Industries, which suffer from decreasing number of orders and have millions of unpaid wages. The both industries are very important for the country economy, providing large stake from the economy and GDP. The country's shipping companies have been struggling to keep their financial health despite deteriorating market conditions, having problems to maintain competitive and high-effective fleet.

Source: [Maritime News](#), 2 January 2016

### **Chinese-Led Group to Build Indian Ocean Port, Industrial Park**

-Motokazu Matsui

Myanmar has chosen a consortium of mostly Chinese companies to develop a special economic zone sitting near plentiful offshore natural gas reserves.

The Kyaukphyu zone, in the western state of Rakhine, already has an oil and gas pipeline connecting it to China, whose influence over southern neighbor Myanmar could grow as a result of the new investments.

Situated on the Indian Ocean coast, roughly 1,700-hectare site was one of three special economic zones designated in 2014. Companies investing there can qualify for tax incentives. To speed up the zone's development, Myanmar's government in

2014 decided to hold tenders for an industrial park and a deep-water port to be built and operated as public-private partnerships.

The Chinese-led consortium beat 10 or so other bidders to win the development rights late last year. The six companies in the group include state-owned conglomerate Citic, China Harbour Engineering and the Charoen Pokphand group, a Thai conglomerate. By 2025, the consortium plans to build a roughly 1,000-hectare industrial park and Myanmar's highest-capacity port, with facilities able to handle 7 million 20-foot-equivalent-units of cargo a year. Total project costs are seen running to a few billion dollars. The projects are expected to lead to the creation of some 100,000 jobs.

Kyaukphyu holds strategic importance for Chinese energy security. China National Petroleum Corp. completed a pipeline linking the coast there with the Chinese inland city of Chongqing in January 2015. Middle Eastern crude and gas drilled offshore flow through it to China, slashing transport time compared with the heavily plied Strait of Malacca shipping route. The Citic-led consortium's bid thus accords with China's desire to solidify its foothold in Kyaukphyu.

China sidled up to Myanmar during the Southeast Asian nation's long years of international isolation under military rule, providing investment in pipelines, hydropower plants and other infrastructure. But Chinese influence over Myanmar has waned in relative terms since the latter embraced civilian government in 2011 and renewed relations with the international community. This shift could accelerate with the opposition National League for Democracy's landslide in this past November's parliamentary elections. The NLD will form a new government this spring, and its leader, Western-leaning democracy activist Aung San Suu Kyi, is expected to seek to move the country out of China's orbit. For China, Kyaukphyu represents a way to stay connected after the change in government.

Work is underway on Myanmar's two other special economic zones. The Thilawa zone sits near Yangon, the country's most populous city, while Dawei is in the southeast, near the Thai border. Japan's public and private sectors are cooperating in industrial park development and other aspects of these projects.

Source: [Asian Review](#), 5 January 2016

## **New Cyber Security Guidelines Launched for Shipping Industry**

A new set of cyber security guidelines has been launched for the shipping industry, the first such guidelines designed to assist global firms to tackle potential cyber attacks. Launched by Baltic and International Maritime Council (BIMCO) along with other shipping associations such as CLIA, ICS, Intercargo and Intertanko and other stakeholders, the guidelines will assist shipping industries to avert major safety, environmental and commercial risk that can culminate to a potential cyber security attack onboard the ship.

BIMCO security general Angus Frew said: "The aim is to provide the shipping industry with clear and comprehensive information on cyber security risks to ships enabling ship-owners to take measures to protect against attacks and to deal with the eventuality of cyber incidents.

"The guidelines launched today should help companies take a risk-based approach to cyber security that is specific to their business and the ships they operate." "The guidelines launched today should help companies take a risk-based approach to cyber security that is specific to their business and the ships they operate." According to the guideline draft, the increased usage of internet to ensure connectivity between the ship and the services offered at the shore make the onboard systems vulnerable to cyber security threats.

Additionally, the system can either be hacked by introducing malware aimed at acquiring sensitive commercial information, from an email with detailed ship itineraries sent to unknown people, to the full-scale subversion of a company's shore-based IT system, or the potential compromising of systems on board ships. Personnel may be tricked into divulging confidential information to the potential hackers.

In order to take control of such potential threats, the shipping industries are urged to determine the criticality of the onboard systems that is connected to an uncontrolled network and subsequently initiate risk-based measures, specific to their business.

BIMCO seeks to incorporate an array of measures into the onboard systems which include, the cargo management systems, bridge systems, propulsion and machinery management and power control systems, access control systems, passenger servicing

and management systems, passenger facing public networks, administrative and crew welfare systems and communication systems.

Keeping in view, the changing trend of cyber security threats, BIMCO and other shipping associations vow to review the guidelines on a regular basis, to equip the maritime enterprises with updated information to combat cyber attacks.

Source: [Ship-technology.com](http://Ship-technology.com) 6 January 2016

### **Shipping Sector Confused On Emission**

- Aiswarya Lakshmi

Over the course of the year the extent of the shipping industry's confusion – some would say delusion – on how to clean up its emissions became clear, says Sotiris Raptis, shipping and aviation officer, European Federation for Transport and Environment.

"Sitting in meeting rooms in London and Paris, we heard officials from the International Maritime Organisation (IMO) and industry profess their opposition to regional measures to reduce CO<sub>2</sub> and then fail to address the problem at the global forum, the Paris climate conference," Sotiris adds. During my second year of attending the IMO's marine environment protection committee (MEPC), which deals with air pollution and CO<sub>2</sub> emissions from shipping, anxiety about these measures intensified and industry became more vocal especially after the adoption of the first EU regulation addressing shipping CO<sub>2</sub> emissions.

Monitoring and reporting of the emissions (MRV) at EU level is, however, just a first step – falling well short of actually requiring ships to do something about reducing their emissions from one of the few sectors exempt from the EU climate target.

This regulation, which came into force across the EU in July 2015, was nevertheless more than enough to cause an outburst of protest from the IMO secretary general and at the opening of the May 2015 IMO MEPC. In the presence of the delegation of the European Parliament, attending an IMO meeting for the first time, it was emphatically stated that the preference of the industry and the IMO was for international measures.

In the run-up to Paris COP21 though, both the IMO and industry rebuked any serious proposals to address shipping emissions in the new international climate agreement. The IMO secretary general admitted that ‘world leaders might be tempted to consider specific measures aimed at reducing shipping’s overall contribution’ but discouraged them from doing so saying that ‘such measures [...] must be avoided’. This statement, being in clear contrast with IMO and industry appeals for international regulation, epitomises the resistance not only to regional reduction measures but apparently to the very idea of measures.

The requirement to act on shipping emissions lived through several rounds of intensive negotiations over the COP 21 text. It was dropped from the draft text two months before COP21, reinserted a few weeks later and finally killed altogether just three days before the final Agreement.

The new climate agreement fails to explicitly mention shipping but there is reference to ambitious long-term targets, which require urgent emissions reductions from all sectors of the global economy.

Its commitment to keep warming well below 2°C while aiming for 1.5°C adds an additional urgency to the sector’s task. It’s almost impossible to achieve these global targets without shipping. Either the IMO will have to live up to these requirements or indeed the EU and other countries will have to take measures.

Source: [Marine Link.com](http://Marine Link.com), 7 January 2016

### **IMF Wants Shipping Carbon Tax**

A report released this week by the International Monetary Fund (IMF) states that carbon taxes should be levied against the shipping industry.

The December 2015 Paris Agreement laid the foundation for meaningful progress on addressing climate change, now the focus must turn to the practical policy implementation issues, states the report, *After Paris: Fiscal, Macroeconomic, and Financial Implications of Climate Change*.

“At the heart of the climate change problem is an externality: firms and households are not charged for the environmental consequences of their greenhouse gases from

fossil fuels and other sources. This means that establishing a proper charge on emissions—that is, removing the implicit subsidy from the failure to charge for environmental costs—has a central role.” For reducing carbon emissions (mitigation), carbon pricing (through taxes or trading systems designed to behave like taxes) should be front and center, continues the report.

“For climate finance, carbon pricing in developing countries would establish price signals needed to attract private flows for mitigation. Substantial amounts could also be raised from charges on international aviation and maritime fuels. These fuels are a growing source of emissions, are underpriced, and charges would exploit a tax base not naturally belonging to national governments.”

In the lead-up to the December climate talks, a carbon tax for shipping, an absolute emissions target and more responsibility for the IMO were among the recommendations made in a policy brief published by the International Transport Forum (ITF). The brief argued that a carbon tax would be relatively easy to implement, and setting its value at around \$25 per ton of CO<sub>2</sub> would have a marginal impact on maritime trade.

Source: [The Maritime Executive](#), 12 January 2016

## **Foreign Ship Owners Decide to Fly the Indian Flag**

-P. Manoj

The initiatives taken by the Narendra Modi government to promote India’s coastal shipping sector has started yielding results with some foreign ship owners seeing benefits of registering ships under the Indian flag to carry cargo on local routes.

In shipping, a ship flies the flag of the country where it is registered and is subjected to the tax jurisdiction of that nation. Only Indian registered ships are allowed to carry cargo on local routes, according to a so-called cabotage rule.

Rules on registering ships in India have often faced criticism even by the local fleet owners because of multiple taxes hurting their operational competitiveness. But foreign ship owners have already converted, or are in the process of converting, some of their ships to fly the Indian flag.

To be sure, the sudden interest among global ship owners to run Indian flag ships along the country's vast coast line is focussed on container shipping and has been kindled by the unfolding business environment for shipping containers by sea as the shipping ministry led by Nitin Gadkari eases rules and offers incentives for diverting cargo from the predominant road and rail by tapping a cheaper mode of transport which also reduces the carbon footprint.

Singapore-based container shipping company Pacific International Lines Pte Ltd is the first to convert one of its container ships registered in Singapore to the Indian flag to run a service linking Mundra port in Gujarat with the container transshipment terminal at Vallarpadam in Cochin port.

Privately held Pacific International, one of the largest ship owners in South-East Asia and ranked 18th among the world's top container ship operators with a fleet of 164 ships, is looking at registering at least three more ships in India, said a person familiar with the development. Singapore is a much sought-after place by global fleet owners to register ships because of the island nation's investor-friendly and tax-friendly rules.

Dubai-based feeder operator Simatech Shipping LLC has started the process of registering two of its container ships under the Indian flag and putting them on a service linking Mundra with Cochin, Colombo and Mangalore, said an executive at one of its India offices, asking not to be named.

A spokesperson for India's Directorate General of Shipping (DGS), which oversees the ship registration process, confirmed the development. "We've started getting enquiries from more global fleet owners to register ships under the Indian flag," said the spokesperson.

Sea Consortium PteLtd, which runs container shipping services under the brand name X-Press Feeders, is also discussing the possibility of running Indian flag container ships, a company official said.

Coastal shipping is a different opportunity altogether, said an executive at Pacific International. "If you look at the local cargo moving by road and if we try to convert that into coastal, it is a huge opportunity.

Besides, due to the government's new policy and projects like Sagar Mala and more emphasis on coastal shipping, naturally the traffic as well as the number of participants will increase. Plenty of ships can come and start operations. That will decongest the roads, there will be lot many advantages, customers will benefit financially also," the executive said, declining to be named.

For years, global container carriers have been calling for the opening up of Indian cabotage trade (shipping cargo on local routes) mainly for container transportation—a plea backed by India's port and terminal operators. The demand is based on the argument that India's locally registered container fleet of 16 ships is inadequate to meet the rising requirements of container trade.

This is particularly so when the government is looking to ship containers directly which are now send via neighbouring hub ports by setting up terminals in India that can facilitate this task by allowing bigger vessels to dock. These require more Indian container ships to feed containers to transshipment terminals and vice versa. Indian fleet owners, under the banner of industry lobby Indian National Shipowners' Association (INSA), have been opposing this demand.

Registering ships under the Indian flag by foreign fleet owners would be a half-way meeting point between these two conflicting positions, says a shipping industry executive who declined to be named.

This will help India increase its shipping tonnage (capacity) while foreign owners will get access to Indian container cargo without the need to ease the cabotage rule. India has targeted to raise its tonnage to 43 million gross tonnage (GT) by 2020 from 10.4 million GT. "It (converting foreign ships into the Indian flag) is non-controversial and is not an emotive issue with the local fleet owners unlike easing of cabotage," he added.

Last year, India's shipping ministry issued detailed guidelines for implementing a financial scheme to incentivise shifting some portion of the cargo now carried by rail and road to coastal shipping and inland waterway routes to help develop them as an integral part of the country's logistics chain.

The scheme proposes to provide monetary incentives to beneficiaries when they transport certain identified commodities, containerized cargo or automobiles on

Indian flag vessels on local routes. Among others, transportation of any commodity in containers will be eligible for an incentive of Rs.3,000 per twenty foot equivalent unit (teu)—the standard size of a container.

Further, India-registered ships carrying export-import containers, empty containers and containers stuffed with cargo meant for local consumption plying on local routes were exempted last year from payment of customs and excise duty on bunker (ship fuel). This was a big bonanza for Indian ships because bunker accounts for about 40% of the operating cost of a ship.

Since 2004, India-registered ships are subjected to tonnage tax—a levy based on the cargo carrying capacity of a ship—in place of corporate tax which cut the tax outgo of a shipping company to 1-2% of their income. About 95% of the global shipping fleet operates under the tonnage tax regime.

[Live Mint](#), 13 January 2016



### **The Strategic Importance of Andaman and Nicobar Islands**

- Sunil Raman

In the Bay of Bengal, far removed from the mainland, lie the 572 islands of Andaman and Nicobar, which form India's southeast border. While the northernmost part of the archipelago is only 22 nautical miles away from Myanmar, the southernmost point, called the Indira Point, is a mere 90 nautical miles from Indonesia. These islands dominate the Bay of Bengal and the Six Degree and Ten Degree channels which more than 60,000 commercial vessels traverse each year.

Among the nine major bottlenecks that control entry to this region are the Malacca Strait and the Six Degree Channel. The Andaman and Nicobar Islands lie in this strategically important zone, meaning that India with its growing naval capabilities could play a significant role in controlling access.

India's Navy chief, Admiral R K Dhowan recently acknowledged that the Andaman and Nicobar Islands are a "very very important aspect" of India's security, acting as extended arms of the country. Dhowan said that India needed to deploy naval assets to the islands for surveillance in important sea lines of communication.

Yet over the past 15 years successive governments have been slow to act, even after having declared their intention of beefing up the security infrastructure on the islands. A unified land, sea and air command was created more than a decade ago, but the command still faces turf wars, funding issues, and glacial decision making.

In the meantime, other countries – notably China – have expanded their presence in the region. Naval vessels camouflaged as fishing boats have been sighted, while other ships make port visits to Sri Lanka and Pakistan.

The inability of India's civilian bureaucracy to recognize the geostrategic importance of the islands is evident in the fact that the only radar station at Port Blair is switched

off every evening. When Malaysian authorities sought information about the missing MH370 from India there was none to share.

Soon after coming to power last year, Indian Prime Minister Narendra Modi brushed aside environmental concerns and cleared a decade-old proposal to set up a radar station on an island lying a few miles from Coco Islands, which Myanmar has leased to China for the purpose of setting up a listening post. Reportedly, infrastructure development on Coco Islands was completed in short order, and besides a radar station the Chinese have also built an airstrip. In contrast, India took ten years to decide to build a radar station on the nearby Narcondam Islands.

Plans to improve the infrastructure are welcome but the Modi government needs to acknowledge the strategic importance of Andaman and Nicobar Islands and push an indifferent bureaucracy to faster decision-making. India could be using these islands to project power into the region and signal China's People's Liberation Army Navy about its readiness to counter any intervention.

Of the 572 islands that make up the Andaman and Nicobar group, only 37 are inhabited. The absence of a human presence on hundreds of these islands has made them vulnerable to narcotics smuggling, intrusion by foreign vessels, and other incursions. The home ministry needs to seriously consider suggestions to encourage migration from the mainland and open up some of these strategically located uninhabited islands to tourism. That would give India a stronger physical footprint and would help the country track the movement of vessels and people.

The northern islands are separated from the southern group by the Ten Degree Channel, which is 80 nautical miles wide. Close watch needs to be kept over the movement of ships and military vessels that pass through these waters.

Recognition of the Andaman and Nicobar Islands as strategic assets would ensure a change in government policy. The slow pace of development and indifferent bureaucracy has ensured that after several years an undersea cable link between India's mainland and the islands remains incomplete. Internet connectivity, even at the naval base in the capital Port Blair, is reported to be erratic.

Road building, airstrip construction, and even the building of jetties has been slow or non-existent. More than a decade after the tsunami of 2004 an important road that helps link North with South has still not been rebuilt.

Heavy rainfall restricts building activity to six months a year and the distance from mainland adds to the cost of construction as all material must be shipped to the islands. Few companies are willing to work on the islands because of the distance and cost. For some materials, importing from Indonesia would be far cheaper and more cost effective than sending shipments from the Indian mainland.

Surveillance in the southern group of islands is a major challenge. The destruction of the road by the tsunami has meant that the two groups of islands are linked only by air and sea. Rather than expedite the work, the pace of development has been caught up in red tape. The landing strip on Campbell Bay is only 1,000 meters in length and plans to extend it have moved slowly. The runway in capital Port Blair took more than three years to repair.

While India wants to neutralize Chinese presence in the region, the decision-making in New Delhi has been slow and lacking in focus. Efforts to strengthen India's military presence have not kept pace with Chinese activity. Modi's outreach to Japan, which has been added to Malabar, hitherto a U.S.-India bilateral military exercise, signals a change in direction by New Delhi, which has traditionally been very sensitive to Chinese concerns.

Modi has an opportunity to make Andaman and Nicobar Islands an important element of his "Act East Policy" of engaging with countries in the region east of India. A policy of benign neglect towards the islands should be transformed into something more robust, which develops the island territories with an eye to India's larger geopolitical interests.

Source: [The Diplomat](#), 3 January 2016

## **Japan and Philippines Join Vietnam in Voicing Anger over China ‘Test Flight’ in Disputed Islands**

Flight to new airstrip in contested Spratly Islands is a sign of escalating tensions in the South China Sea. Japan and the Philippines have joined Vietnam in expressing anger at Beijing after a Chinese plane landed on an airstrip it constructed on a contested island in the South China Sea. The Chinese “test flight” sparked a furious response from Vietnam and concern from Washington over the weekend, ratcheting up tensions over islands which have been artificially enlarged by China.

China claims almost the entire South China Sea and has been causing alarm among its neighbours as it builds up infrastructure on reefs in the disputed waters. The flight at Fiery Cross Reef in the Spratly Islands "adds to tension and uncertainties in the region," said Charles Jose, Philippines Department of Foreign Affairs spokesman, on Monday. Manila was considering protesting China's action, the spokesman said.

Meanwhile, Fumio Kishida, Japanese Foreign Minister, told a press conference on Monday that the flight was an attempt by China to make its island-building “a fait accompli,” according to Japan’s Kyodo news agency. “Japan is gravely concerned about China's act, which is a unilateral change of the status quo,” Mr Kishida said.

China has become increasingly assertive over its territorial claims in recent years and has been ramping up military spending. Some observers say the airstrips being built in the South China Sea are capable of hosting military jets.

Hanoi had protested at the flight, labelling it a "a serious infringement of the sovereignty of Vietnam." Construction at Calderon (Cuarteron) Reef in the disputed Spratley Islands in the South China Sea. John McCain, the chairman of the US Senate Armed Services Committee, said the Obama administration was allowing China to continue to "pursue its territorial ambitions" by delaying “freedom of navigation” patrols near the islands.

Meanwhile, John Kirby, State Department spokesman, said China’s flight test’ "raises tensions and threatens regional stability”. He also called on Asian countries involved in the islands’ row to “halt land reclamation and further development of new facilities and militarisation on their outposts”.

Beijing, however, denies the island building is aimed at boosting its military might, and Hua Chunying, foreign ministry spokeswoman, reiterated China's position that it had "indisputable sovereignty" to the Spratlys, which are called the Nansha Islands in China. The spokeswoman also said a civil aircraft was used to conduct the test, and that China hoped it could continue "sustainable, healthy and stable" ties with Vietnam.

More than \$5 trillion (£1.95 million) of world trade passes every year through the South China Sea, which is also said to hold huge deposits of gas. Malaysia, Brunei, and Taiwan also have rival claims to islands in the disputed waters.

Source: [The Telegraph](#), 5 January 2016

### **Does China's Latest Naval Disclosure Point to Pacific War?**

Hermes is still on duty today as INS Viraat, a successor to Vikrant; one of the interesting things about carriers is that, as with submarines, their lives will often have two acts in different navies. That is the case with China's existing, first aircraft carrier, the Liaoning. She was christened Riga in Soviet days and inherited by independent Ukraine as Varyag. A Hong Kong travel agency bought the hull, claiming it intended to turn it into a floating casino. (Getting the ship out of the Black Sea under the nose of Turkey might otherwise have been tricky, and wasn't easy anyway.)

To no one's total surprise, Varyag was spotted in a Dalian drydock a few years later, undergoing military refit in the hands of the People's Liberation Army Navy. The renamed Liaoning barely qualifies as a full-fledged aircraft carrier on dimensions, it burns gas, and it has a ski-jump takeoff runway that limits the armament and range of its planes. It does not, on its own, represent a challenge to American supremacy, even in the waters around China.

But, Thursday's announcement is that the Chinese have reverse-engineered Varyag with some success and intend to build their own indigenous carrier of similar design. The question is whether more ambitious projects might follow in the years to come; the Chinese submarine fleet, for example, has already mastered nuclear propulsion.

The truth is that no one really knows how much use any country's aircraft carriers would now be in a serious shooting war between technologically advanced nations. If you drill into the defence literature you find that the interesting contemporary discussions concern, not carriers, but hard-to-stop "carrier killer" missiles.

In a way we know more about Chinese preparedness for a Pacific naval war with the U.S. than anyone at all does about the Americans'

And, in fact, the Chinese have invested as much time and investment in carrier-killer tech as anyone. In that field they are not bogged down in the late Cold War era that Riga/Varyag/Liaoning represents. They might be ahead of everybody, including the U.S.

In a way we know more about Chinese preparedness for a Pacific naval war with the U.S. than anyone at all does about the Americans'. The latest U.S. doctrine (outlined in a congressional research report delivered Dec. 21 by the revered Ronald O'Rourke) is that the answer to increasingly sophisticated carrier-killers lies in breaking their "kill chain" by means of electronic countermeasures.

Achieving a "hard kill" of incoming missiles by knocking them out of the sky is difficult and expensive. It's easier — and "frankly, cheaper," in the words of a former U.S. chief of naval operations — to prevent enemy ships and onshore missile bases from detecting, identifying and tracking you, all of which are necessary prerequisites to a score.

The U.S. Navy professes lavish confidence in its "soft kill" countermeasures — but it doesn't talk much about the details, it cannot be 100 per cent sure they would work until they're called upon in a real conflict, and it has not altogether neglected the wider question of whether carriers are obsolete — whether, in fact, the whole capital-ship paradigm pursued since Henry VIII and the Mary Rose is now passé.

There is talk of a more dispersed "fleet architecture," and conscious plans for "distributed lethality." This language summons visions of stealthy, small unmanned craft chasing the big ships from the seas — and one recalls, with a gulp, what happened to USS Cole.

Source: [National Post](#), 8 January 2016

## **Maiden Voyage of Okha-Mandvi Ferry Incomplete, Returns Midsea**

Okha is near temple town of Dwarka and Bet Dwarka island famous for Lord Krishna temples. Mandvi is known for its sandy beach and is an important tourist destination in Kutch.

Kutch Sagar Setu, the passenger ferry service in 60 years between Okha port on the coast of Devbhoomi-Dwarka district to Mandvi port in Kutch, was launched Thursday afternoon. However, due to low tide at Mandvi, the ferry returned to Okha from midsea.

The ferry lifted its anchor from Okha port at around 3 pm with officers of the Dwarka Kutch Ferries and Tourism Private Limited (DKFTPL), the private firm operating the service and Gujarat Maritime Board (GMB) on board. Family members of DKFTPL promoters Rajesh Doshi and Umesh Shah as well as that of their ticket booking agents and a few media persons were also taking the ride.

However, the maiden voyage of the ferry did not reach its destination of Mandvi and returned to Okha at around 4:20 pm due to tidal restrictions. “There was some time lapse in departure and Mandvi port was expected to have low tide by the time we were expected to land there. Therefore, we returned to Okha without entering Mandvi port,” Rakesh Patel, assistant port officer of Okha who was on board the ferry as GMB officer told The Indian Express over phone.

Patel said there were 56 people on board. “The ferry covered distance of around eight nautical miles off Okha and returned. The distance between Okha and Mandvi is around 24 nautical miles, and by road it is about 500 km. The operators will keep on trying to find a proper route over the next two days,” he added.

Even as the maiden voyage could not be completed, it marked an important development in maritime history of Gujarat. Kutch Sagar Setu became the only commercial ferry service to be launched between Okha and Mandvi in last 60 years. Country craft did use to ferry passengers between Okha and Mandvi till early 1960s but they stopped later on. There is also a proposal to start roll-on roll-off services between Ghogha port in Bhavnagar and Dahej in Bharuch. But work has not been completed on it.

Okha is near temple town of Dwarka and Bet Dwarka island famous for Lord Krishna temples. Mandvi is known for its sandy beach and is an important tourist destination in Kutch.

The promoters had earlier planned to launch the service on December 21, but it did not happen because clearance from the Directorate General of Shipping of India was awaited.

DKFTPL promoter director Doshi said procedures delayed departure on the ferry. "We were scheduled to depart at 11 am. But it took time to complete some procedures and formalities and therefore the departure got delayed. By that time, there was low tide in Mandavi and we had to return to Okha," he said.

Doshi said that they will operate two trips a day Friday onwards. "Since the vessel was to ply at deep sea and beyond port limits, the ferry operators were required to get a licence from DG Shipping for merchant shipping service. We had given all the clearances from our side. Officers of DG Shipping assessed a trial run of the service and finally gave a go-ahead yesterday. Now, they are doing their maiden voyage with passengers today," an officer of GMB said.

[The Indian Express](#), 8 January 2016

### **Blue Economy Critical for Regional Dev: President**

President Abdul Hamid on Monday said formulation of effective maritime policies at national, sub-regional and regional levels is important for better economic development of the Indian Ocean region.

He also emphasised the need for a collective initiative to overcome the adverse impact of climate change and dealing with the natural disasters.

"Formulation and effective implementation of 'blue economy' is a demand of the time for economic well-being of the region, which can be achieved by efficient use of sea resources," he told the opening ceremony of the 5th biennial assembly of the Indian Ocean Naval Symposium (IONS) 2016 in Dhaka.

"I believe that we would be able to formulate required policies pertaining to all important issues using IONS as a dialogue platform," the president said.

Officials from 33 countries including the chiefs of navies from 13 countries are attending the three-day symposium.

The 'Indian Ocean Naval Symposium' (IONS) is a voluntary initiative that seeks to increase maritime co-operation among navies of the littoral states of the Indian Ocean Region by providing an open and inclusive forum for discussion of regionally relevant maritime issues.

While the geographical borders divide the countries, president Hamid said friendship across the ocean can unite the nations.

"IONS is not only a ray of hope for the Indian Ocean Region but also a forum of immense importance for the Asia-Pacific and the adjoining oceans," he said.

The Indian Ocean carries huge prospect and potentials both from geo-strategic and geo-economic point of view to facilitate maritime trade and commerce, economic prosperity and exploitation and exploration of the ocean resources, he said.

"Proper management of this vast region and its effective utilisation is not possible by single nation alone. In this regard, we shall have to work together as a single entity so that every potential could be utilised for the greater benefit of the mankind, " the president added.

He said Bangladesh has set a glaring example to the world by amicably resolving its long-standing maritime boundary disputes with both its neighbours -- India and Myanmar.

Outgoing chairman of IONS and chief of Australian navy Vice-Admiral Tim Barrett and new chairman of IONS and chief of naval staff of Bangladesh Navy Vice-Admiral M Farid Habib also spoke.

Source: [Prothom Alo](#) , 11 January 2016