

# MAKING MAVES

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# **MARITIME SECURITY**



#### U.S.: Navigation Error Caused Navy Boats to Stray Into Iranian Waters

U.S. Defense Secretary Ash Carter said a navigation error -- not equipment malfunctions -- caused the crews of two Navy boats to stray into Iranian waters, where they were detained overnight by Iran and released. "The information that they have given us, and through their commanders, is that they did stray accidentally into Iranian waters due to a navigation error," Carter said in an interview with Fusion network in Miami on January 14. "They did not report this navigational error" to Navy commanders at the time the incident occurred on January 12, Carter added. "It may be that they were trying to sort it out at the time they encountered Iranian boats don't know that fully yet," he said.

The day of the incident, U.S. officials had said mechanical problems had caused the boats to stray into Iranian waters. That was given by the United States as the reason that it did not need to apologize for the incident as demanded by Iran, since the crew could not be blamed for equipment failures. But defense officials now say the central cause for the crews' entering Iranian waters was the navigational slip, which apparently was caused by human error rather than by an equipment malfunction.

The navigation error was compounded by some sort of engine trouble aboard one of the boats, defense officials said. The engine problem did not cause the boats to go off course but apparently prevented them from evading the Iranians once the crews realized they were inside Iran's territorial waters. The boats, known as riverine command boats, were not on a covert mission and were simply making their way from Kuwait to Bahrain, Carter said.

The 10 U.S. sailors who were detained are now back with their American fleet and are getting debriefed and undergoing what the military calls "reintegration," a series of

interviews and physical and mental health examinations to ease their return to duty. A Navy investigation will follow. General Lloyd Austin, head of U.S. Central Command, said the equipment on the boats is being inventoried but nothing at first look appeared

to be missing.

Iranian state television has released footage of the arrest, showing the sailors as they

knelt down with their hands behind their heads and their two vessels being surrounded

by several Iranian military fast boats. It also released footage of one of the detained

men, identified as a U.S. Navy commander, apologizing for the incident.

Carter acknowledged that the images made him feel uncomfortable, but he urged

against a rush to judgment. "Obviously, I don't like to see our people being detained by a

foreign military," Carter told a news conference at Central Command in Tampa. "I think

we need to give these guys the opportunity to tell us what was really going on and what

the overall context [was]."

**Source:** Radiofree Europe Radio Liberty, 15 January 2016

**BIMCO Issues Cybersecurity Guidelines for Ships** 

Linn Freedman

Last week, BIMCO, along with other shipping organizations, "launched" guidelines "to

help the global shipping industry prevent major safety, environmental and commercial

issues that could result from a cyber incident on-board a ship. "BIMCO states that the

guidelines are "a first for the shipping industry" (which to our knowledge is true and we

applaud).

The guidelines are designed to identify cyber risks on ships and to assist the shipping

industry with information in order to protect against attacks and deal with cyber

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incidents. It discussed understanding the cyber threat to ships, how to assess the risk and determine vulnerabilities, controls to put in place to minimize the risks, and developing contingency plans. It references the NIST framework.

Source: JD Supra Business Advisor, 15 January 2015

Despite Tension, Shipping on S. China Sea not Disrupted

China's growing military presence in the South China Sea has drawn warnings from the United States that Beijing is seeking to exert control over one of the world's most important sea lanes, but so far the shipping industry seems less concerned. Beijing has been increasingly assertive in staking its claim to almost the whole of the sea, though which trillions of dollars of trade passes each year.

This month China landed its first test flights on a new 3,000 meter (10,000 ft) runway it has built on a reef in the Spratly Islands, drawing protests from Vietnam and the Philippines which have overlapping claims in the area.

Despite the diplomatic tensions, merchant shipping says operations are, as yet, unaffected. "For ship owners, it's business as usual," said Captain Bjorn Hojgaard, chief executive officer at Anglo-Eastern Univan Group, one of the world's biggest ship management companies. "From our point of view, it's just another military base. It's only politics, commercially it makes no difference."

The deep waters of the South China Basin between the Spratly and also-disputed Paracel Islands are the most direct shipping lane between northeast Asia's industrial hubs of China, Japan, South Korea, Europe and the Middle East. The geography of the region offers few economically viable alternative routes for large oil tankers, dry-bulk ships and container vessels.

Reuters shipping data shows that, counting just Very Large Crude Carrier (VLCC) supertankers, some 25 VLCCs are passing between the Spratly and Paracel islands at any time, with enough capacity to carry the equivalent of about 11 days' worth of Japanese demand.

The US military, which remains by far the most powerful naval force in the region, has warned that Beijing is seeking to establish a level of de facto control over the South China Sea that threatens freedom of navigation for international shipping. Speaking to reporters aboard a US aircraft carrier in Japan last week, Vice Admiral Joseph Aucoin, commander of the US Seventh Fleet, said that already merchant shippers "are kind of using China national rules for international (navigation)" in the sea. Admiral Scott Swift, commander of the US Pacific Fleet, had said in December that ships nearby these islands were now "subject to superfluous warnings that threaten routine commercial and military operations". Chinese President Xi Jinping said in November that freedom of navigation for shipping would never be a problem in the South China Sea.

Tensions in the South China Sea have risen over the last year as China has stepped up construction and reclamation to create man-made islands on reefs and atolls it controls. "It seems that the new strategically located islands reportedly constructed by China would give China more security leeway in the disputed waters and make it difficult for other forces to assert sea control," said Jonathan Moss, head of transport at law firm DWF, who acts for insurers and shipping companies. Michael Frodl, of the US-based consultancy C-Level Global Risks, said China's goal was to use "air power to project into the waters" around the artificial islands .So far, however, there are few signs that the commercial shipping is being affected. "Ships have the right of free passage... and even if China does eventually take over the South China Sea, this shouldn't affect the passage of merchant ships," said Arthur Bowring, managing director of the Hong Kong Shipowners' Association, whose members operate or manage about eight percent of the global merchant fleet.

Source: Reuters, 15 January 2016

#### China Seeks Investment in Disputed Islands

China will invite private investment to build infrastructure on islands it controls in the disputed South China Sea and will start regular flights to one of them this year, state media says. A US research institute, meanwhile, said China appeared to have stepped up construction work on artificial islands it has built in the South China Sea and was close to finishing two more military-length airstrips on them.

China claims almost all of the South China Sea, through which more than \$US5 trillion (\$A7.30 trillion) of maritime trade passes each year. The Philippines, Brunei, Vietnam, Malaysia and Taiwan have overlapping claims .In 2012 China set up what it calls Sansha City, based on Woody Island in the Paracels, to administer its islands there.

Sansha's Deputy Mayor, Feng Wenhai, said the city would welcome private investment and "will initiate public-private partnership programmes", state news agency Xinhua said on Friday. "The city will also push forward the planning and construction of a maritime medical rescue centre. Submarine optical cables will be laid and put into use this year, and wi-fi will cover all inhabited islands and reefs," Feng said. The airport on Woody Island would also this year launch regular flights, Feng added, without elaborating. China took full control of the Paracels in 1974 after a naval showdown with Vietnam.

Asked about China's investment plans, Gabrielle Price, a US State Department spokeswoman, said Washington continued to call on all claimants to halt land reclamation, construction of new facilities, and militarisation of outposts in the South China Sea. Though China calls it a city, Sansha's permanent population is no more than a few thousand.

The Asia Maritime Transparency Initiative of Washington's Center for Strategic and International Studies think tank published satellite images on Friday showing airstrips

on two other artificial islands - Mischief and Subi Reefs - close to completion.

It said the work was progressing faster than expected. While the strip at Fiery Cross had

taken at least seven months to complete, that one on Mischief Reef was nearly finished

after only three to four months, AMTI said in a report.

The construction included housing, cement plants, docking facilities, and an area of

artificial turf that could be used for sports or as a parade ground, AMTI director Greg

Poling said.

The work would be of particular concern to the Philippines, given the proximity of the

strips to Philippine occupied features, the AMTI report said. The United States, a treaty

ally of the Philippines, has criticised Beijing's building of artificial islands in the Spratlys

and has conducted sea and air patrols near them.

Source: The Australian, 16 January 2016

Philippine Plane Warned by 'Chinese Navy' after it Flew Close to Chinese-

**Constructed Island in Disputed South China Sea** 

Philippine officials say they received two intimidating radio warnings from people who

identified themselves being from the Chinese navy when they flew a Cessna plane close

to a Chinese-constructed island in the South China Sea. Eric Apolonio said the incident

happened January 7 when he and other personnel of the Civil Aviation Authority of the

Philippines flew to a Philippine-occupied island for an engineering survey ahead of the

planned installation of aviation safety equipment on the island.

The island, which the Philippines calls Pagasa, is close to Subi Reef, which has been transformed by China into an island in the disputed Spratly chain. Apolonio said the voice message warned that the aircraft was "threatening the security of our station". He said they continued their trip

Source: South China Morning Post, 18 January 2016

#### Sri Lanka on Way to Becoming Indian Ocean Naval Hub

P.K. Balachandran

Sri Lanka is on the way to becoming a maritime security hub in the Indian Ocean, as regional and extra-regional naval powers eye the island nation for striking partnerships to ensure their maritime security. Lanka itself has signaled its wish to acquire a Blue Water navy to exploit its strategic position in the Indian Ocean and to participate in international maritime security operations.

No wonder Colombo harbor has been attracting naval ships of key players with great frequency. Despite India's objections to the visit of a Chinese nuclear submarine in 2014, three Chinese naval vessels, Liuzhohu, Sanya and Qinghaihu, are currently in Colombo having "passage exercises" with the Lankan navy.

Not to be outdone, the Indian aircraft carrier, INS Vikramaditya, will be here this week. India is already closely tied to the Lankan navy, regularly conducting exercises codenamed SLINEX. India has also drawn Lanka into a maritime security network connecting it to Seychelles and Mauritius, besides India. In August last year, India formally gifted to the Lankan navy the Offshore Patrol Vessel (OPV) Varaha, which had been in the service of the Lanka navy since 2006.

Japan, which is worried about China's "non-transparent" military expansion and aggressive postures, sent two of its naval vessels, Ikazuchi and Murasame, to Colombo in April 2015. Japan's anxiety to strike an anti-Chinese strategic maritime partnership with Lanka was evident in the remarks made by Japanese Ambassador Kenichi Suganuma at the maritime security dialogue held here on January 13. Drawing attention to Lanka's location overlooking the main Sea Lanes of Communication in the Indian Ocean, Suganuma said that Lanka could help ensure safe package for international shipping which was a "major" concern for Japan. Lanka is to get two Japanese Offshore Patrol Vessels in 2017.

Meanwhile, Lankan Prime Minister Ranil Wickremesinghe has been pushing for a Blue Water navy, a small one due to budget constraints, which will help Lanka carry out responsibilities thrust on it by its location. Wickremesinghe recognizes the need to work with the US, the most important countervailing force vis-a-vis China in the Indian Ocean. US Secretary of State John Kerry has already sought Lankan cooperation to ensure maritime security in the region.

Source: <u>The Indian Express</u>, 19 January 2016

#### Japan and India Need to Deal with the South China Sea Dispute

- Brahma Chellaney

China's recent acknowledgement that it is establishing its first overseas military base in the Indian Ocean rim nation of Djibouti, located on the Horn of Africa, represents a transformative moment in its quest for supremacy at sea. With Chinese submarines now making regular forays into India's maritime backyard right under the nose of its Andaman & Nicobar Command, New Delhi must now face up to a new threat from the south.

China's growing interest in the Indian Ocean — the bridge between Asia and Europe — draws strength from its aggressive push for dominance in the adjacent South China Sea. Without incurring any international costs, it belligerently continues to push its borders far out into international waters in a way that no power has done before. Its modus operandi to extend its frontiers in the South China Sea involves creating artificial islands and claiming sovereignty over them and their surrounding waters. In just a little over two years, it has built seven islands in its attempt to annex a strategically crucial corridor through which half of the world's annual merchant fleet tonnage passes.

For India, still grappling to deal with the trans-Himalayan threat following China's gobbling up of buffer Tibet, the rise of a Chinese oceanic threat signifies a transformative change in its security calculus. By building military facilities on the disputed Spratly and Paracel islands, China is positioning itself at the mouth of the Indian Ocean. A Beijing-based defence website, Sina Military Network, last year claimed, even if implausibly, that 10 Chinese attack submarines could blockade India's eastern and western coastlines.

Make no mistake: China's rapidly growing submarine fleet is suited not for Southeast Asia's shallow sea basin but for the Indian Ocean's deep, warm waters. This explains why China is setting up a naval hub in Djibouti, building a naval base at Gwadar, and wanting access to port facilities around India, like it has secured in Sri Lanka. China's consolidation of power in the South China Sea will have a direct bearing on India's interests in its own maritime backyard.

With New Delhi slow to add teeth to its Andaman & Nicobar Command, Beijing is assiduously chipping away at India's natural-geographic advantage. The longer-term strategic risk for India is that China, in partnership with its close ally Pakistan, could encircle it on land and at sea. After covertly transferring nuclear-weapon, missile and, most recently, drone technologies to Pakistan, China has publicised a deal to more than double the size of that country's submarine force by selling eight subs to it.

More broadly, the South China Sea has become critical to the contest for influence in the Indian Ocean and the larger Indo-Pacific region. Beijing views the South China Sea as a testing ground for changing the Asian maritime map.

The world has been astounded by the speed and scale of China's creation of islands and military infrastructure in the South China Sea. Yet the international response to China's expansions hasn't gone beyond rhetoric. For example, the US, even at the risk of handing Beijing a fait accompli, has done little to challenge China's expanding frontiers, focusing its concern just on safeguarding the freedom of navigation through the South China Sea. As in the Himalayas and the East China Sea, the US has refused to take sides in the South China Sea in the territorial disputes between China and its neighbours. ASEAN disunity has also aided Beijing's aggression.

Let us be clear: The South China Sea has emerged as the symbolic centre of the international maritime challenges of the 21st century. The region is important for India and even distant countries because what happens there will impinge on the Asian power equilibrium and international maritime security. Indian Ocean security is linked to the South China Sea, which, Chinese vice-admiral Yuan Yubai claimed in September, "belongs to China". In fact, developments in the South China Sea carry the potential of upending even the current international liberal order by permitting brute power to trump rules.

The South China Sea's centrality to the international maritime order should induce likeminded states to work closely together to positively shape developments there, including by ensuring that continued unilateralism is not cost-free. In fact, the 'US-India Joint Strategic Vision for the Asia-Pacific and Indian Ocean Region', signed a year ago, and the Pentagon's subsequent 'Asia-Pacific Maritime Strategy' emphasise greater maritime cooperation among democratic powers.

China's neighbours, however, bear the main responsibility. India, for its part, is working

to revitalise relationships with Indian Ocean Rim states. It has also stepped up its

military diplomacy and is doling out billions of dollars in credit to key littoral states,

including in East Africa. But with accidents and project delays blunting its naval power,

India needs to speed up its naval modernisation. Trade through the Indian Ocean

accounts for half of India's GDP and the bulk of its energy supplies, underscoring the

imperative for India to strengthen its naval capabilities on a priority basis.

If ASEAN states and regional powers like Japan and India do not evolve a common

strategy to deal with the South China Sea dispute within an Asian framework, the issue

will be left to China and the US to address through a great-power modus vivendi,

sidelining the interests of the smaller disputants. A unified strategy must give meaning

to the recent appeal to all countries by Narendra Modi and Shinzo Abe, the Indian and

Japanese prime ministers, to "avoid unilateral actions", given the "critical importance of

the sea lanes in the South China Sea" for the Indo-Pacific region.

Failure to evolve a common strategy could create a systemic risk to Asian strategic

stability, besides opening the path for China to gain a firm strategic foothold in the

Indian Ocean and encircle India.

Source: The Hindustan Times, 20 January 2016

Sri Lanka Navy assists repatriation of 102 Indian fishermen

The Sri Lanka Navy said it assisted in the repatriation of 102 Indian fishermen released

from the Sri Lankan custody on Thursday. The fishermen were handed over to the

Indian Coast Guard Ships "Durgavati" and "Amaya" at the International Maritime

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Boundary Line North of Kankasanthurai. Sri Lanka Navy Ship "Ranavijaya" and the Sri

Lanka Coast Guard vessel CG 46 were deployed to transfer the fishermen to the Indian

ships.

The Sri Lankan Navy in the past few months has arrested a total of 104 fishermen from

Nagapattinam, Thanjavur, Pudukottai and Ramanathapuram areas of Tamil Nadu state

and 10 fishermen Karaikal in the Union territory of Puducherry. The government had

taken measures to release all the Indian fishermen detained in the island's jails as a

goodwill gesture.

Source: Colombo Page, 21 January 2016

Countries Should Play by Same Rules in South China Sea: Obama

In a clear signal to China, US President Barack Obama Sunday said all countries should

play by the same rules in international law including freedom of navigation in the South

China Sea while India can be an anchor of stability in the Asia Pacific and Indian Ocean

region. He also said India and US will continue to expand their military exercises and

maritime cooperation so that the two forces become "interoperable".

Obama said during his visit to India last year, Prime Minister Narendra Modi and he

agreed to a new joint vision for the Asia Pacific and Indian Ocean region. "It's rooted in

our shared interests in a region that's peaceful and prosperous and where all countries

play by the same rules, in accordance with international law and norms, including

freedom of navigation," Obama said in an interview to PTI. The Asia Pacific region has

witnessed tension after China flexed its military muscle in the resource-rich South China

Sea. The South China Sea is also a major shipping lane. Over half of the world's

commercial shipping passes through the Indo-Pacific waterways.

China claims almost the whole of the South China Sea, resulting in overlapping claims with several other Asian nations like Vietnam and the Philippines, Malaysia and Brunei.

They accuse China of illegally reclaiming land in contested areas to create artificial islands with facilities that could potentially be for military use. The US has criticised Beijing for building artificial islands in the disputed sea, and has flown a B-52 bomber and sailed a guided-missile destroyer near some of the constructions China has made in recent months. Obama also said the US recognises that the Indian Ocean is vital to the security of the region and the global economy. "Our vision recognises that the Indian Ocean is vital to the security of the region and the global economy. And it welcomes India's determination to 'Act East' with stronger security and economic partnerships across the region," the US President said.

He was replying to a question as to what role he sees for India in the emerging security situation in the Asia Pacific given what is happening and the nuclear tests by North Korea. "We have elevated our trilateral cooperation with Japan, including on disaster response and humanitarian assistance. And we very much welcome India's increased ties with the region. "It's clear that India can be an anchor of stability and security in the Asia Pacific and Indian Ocean region, and the United States looks forward to the work we can do together," Obama said. He said "we continue to expand our military exercises and maritime cooperation so that our forces become inter operable. We are increasing our defence trade, and we're collaborating more closely to jointly develop defence technologies."

Obama said as President he has worked to renew American leadership in the Asia Pacific because the security and prosperity of the region is critical to its own and that of the world. "I am proud that, even as we continue to meet pressing challenges elsewhere in the world, we've rebalanced our foreign policy and are now playing a larger role in the region." Obama said the US has strengthened alliances, modernised its defence posture, worked to build constructive relationship with China, helped strengthened regional

institutions like ASEAN and East Asia Summit and expanded cooperation with emerging powers including India.

Source: The Navhind Times, 25 January 2016

#### India and Seychelles Work Together to Combat Piracy in Indian Ocean

The coordination of security operations in the Indian Ocean will be improving from January 2016 in a bid to eradicate piracy in the area, leading maritime security company MAST has said today. In a move towards a safer maritime environment, both India and Seychelles have announced they have assigned resources to help securitise the Western Indian Ocean. This development follows the significant changes to internationally recognised security policy in the Indian Ocean at the close of 2015. In December, the maritime community scaled down the size of the Best Management Practice (BMP 4) High Risk Area (HRA) in the western Indian Ocean, followed closely by the Joint War Committee (JWC) at Lloyd's of London reducing the size of the corresponding insurance HRA.

The Seychelles and India have been steadily increasing their maritime and security cooperation in what was traditionally hotspot for piracy and illegal maritime activity. This move will be strengthened by the Seychelles taking over the chairmanship of the Contact Group on Piracy off the coast of Somalia (CGPCS) from the European Union this month. The CGPCS will be holding its first meeting in Mumbai on 31 January, following a strategy meeting in New Delhi on 28-29 January, in an aim to discuss the nature of The Seychelles' future engagements.

The Seychelles will also be teaming up with India to host a regional military exercise coordinated by the U.S. Navy later this month. The exercise, named Cutlass Express 2016, will commence on 30 January until 6 February and will include forces from Comoros, Kenya, Mauritius, Madagascar, Mozambique and Tanzania. The military exercise will include scenarios which include combating piracy, trafficking and illegal fishing. Up until 2015 the Seychelles required ships which were passing through the archipelago to have armed guards on board, but this requirement was removed as there has not been a piracy attack close to the Seychelles since 2013.

Gerry Northwood COO of MAST and former Royal Navy counter-piracy commander commented:

"It is encouraging to see that the Seychelles is continuing to play a significant role in helping the international community counter criminal activity in the Indian Ocean. Along with the Seychelles recent assumption of the Presidency of the UN Contact Group on Piracy off the Coast of Somalia (CGPCS), this cooperation with India continues the process of making the responsibility for combating Somali piracy a regional one. It is also heartening to see that Exercise Cutlass Express 2016 will tackle a range of maritime crime types, thus recognising the interconnected nature of crime and the fact that the solution lies with engagement and commitment from all players including governments, law enforcement, the shipping industry and its associates.

"Pirate attacks by armed Somalis once plagued the vast Indian Ocean off East Africa but armed guards on board ships and international naval patrols have helped supress piracy in the Somali Basin. However, Somalia itself remains politically fragile and now is not be the time to relax security measures which have proved so successful. We believe it is vitally important that all shipping transiting the Indian Ocean conduct a thorough risk assessment before doing so."

Source: <u>Hellenic Shipping News</u>, 26, January 2016

# PLA garrison 'warns off' US Navy destroyer sailing close to island in disputed area of South China Sea

China's defence ministry said on Saturday that a PLA garrison on an island in a disputed area of the South China Sea had taken action to warn off and repel a US Navy destroyer that had entered its territorial waters. Defence ministry spokesperson Yang Yujun said

in a statement that China strongly opposed the "provocative move" by the United States. The Pentagon had earlier said that the USS Curtis Wilbur had sailed within 12 nautical miles of Triton Island in the South China Sea on Saturday.

A Pentagon spokesman Jeff Davies said the aim of the patrol was to challenge efforts to restrict freedom of navigation in the area. "This operation challenged attempts by the three claimants - [mainland] China, Taiwan and Vietnam - to restrict navigation rights and freedoms," he said. Davis said no ships from China's military were in the area when the US warship carried out its patrol in the Paracel islands on Saturday. However, Yang said the PLA garrison on the island had given warnings and taken action to expel the US warship. He did not give details of what kind of action was taken.

The island is known as Zhongjian Dao in Chinese. It has been controlled by the PLA since 1974 after a naval conflict with Vietnam. It is the first time the US Navy has challenged China's territorial claims in the Paracel islands. A US warship sailed within 12 nautical miles of Mischief and Subi reefs in the Spratly Islands in another disputed area of the South China Sea in October last year.

The patrol incensed China's government, which described the action as a dangerous provocation. Pentagon spokesman Davis said the latest operation sought to challenge policies that require prior permission or notification of transit within territorial waters. "No claimants were notified prior to the transit, which is consistent with our normal process and international law," he said.

A spokeswoman for China's foreign ministry, Hua Chunying, said the US warship had acted illegally in entering Chinese waters, state television reported. She urged the US to respect China's laws and do more to help maintain regional peace and stability.

China claims most of the South China Sea, through which more than US\$5 trillion of world trade is shipped every year. Vietnam, Malaysia, Brunei, the Philippines and

Taiwan have rival claims. China has been rapidly developing man-made islands in the region, including building runways, increasing tensions among its neighbours. Li Jie, a Beijing-based naval expert, said the US operation was a direct challenge to China's claims of sovereignty in the disputed waters." The US is trying to test the bottom line of China in the South China Sea issue," Li said. He described it as an "unfriendly move" that might challenge relations between the two countries. Ni Lexiong, a Shanghai-based naval expert, said the US action was a show of force. "The US wants to show other Asian countries that it has the power to challenge Chinese claims in the Paracel Islands," he said.

Source: South China Morning Post, 30 January 2016



### MARITIME FORCES



#### **China Builds Second Aircraft Carrier**

China's Defense Ministry has confirmed that it is building a second aircraft carrier after rumors became widespread about the project. The ship is being built at Dalian in north China, on the Liaodong Peninsula. The ministry said that once finished it will be able to hold the Chinese-made J-15 fighter jets. He also stated that it's being built using only domestic technology and manufacturing.

China keeps its military programs under top secret security, and there was no further information available about the carrier's expected commissioning date. It already has one aircraft carrier known as the 'Liaoning' which was finished and commissioned in 2012. That ship had been built using a hull bought from the Ukraine. Colonel Yang Yujun is the official spokesperson for the project. He said that the carrier will be able to carry around 50,000 tons.

In recent years, China has been expanding its naval capabilities, yet has tried to keep its second aircraft carrier a secret until now. This is to allay concerns of western powers about China's military intentions in the Asia-Pacific region.

Since World War Two ended, the US Navy has claimed naval dominance in the region, but the US Government does already expect that China will continue to increase its naval fleet with more aircraft carriers being built over the coming years. It is thought that the second ship will mirror much of China's first carrier, but will also feature a skijump take-off platform. Colonel Yang stresses that China believes it is its duty to protect its coastline and nearby waters.

Over the last few months, sources close to China have leaked images and stories about the second aircraft carrier, only now to be confirmed. Experts believe that increasing tensions in the South China Sea have prompted China to expand its naval fleet. That area of the world's oceans is also thought to have large reserves of oil and gas.

Source: War History Online, Jan 15 2016

**India to Gift Interceptor Boat to Seychelles** 

In a bid to enhance maritime cooperation with Indian Ocean island nations, India will gift an interceptor boat to Seychelles, as assured by Prime Minister Narendra Modi

during his visit to the archipelago last year.

The interceptor boat, which will be used for patrolling, will be handed over to the Government of Seychelles on January 21. Manufactured by Larsen and Toubro, the fast interceptor boat, which will travel a distance of 1524 nautical miles to Seychelles, will be handed over either by the Director General of Coast Guard or the Indian High

Commissioner.

"The Government of Seychelles had made a request to Prime Minister Modi during his visit that they needed a patrol boat. We are fulfilling our commitment," said a senior Coast Guard official. A similar interceptor boat is used by India to patrol its Exclusive Economic Zone (EEZ). Seychelles too has a huge EEZ.

Sources said India will also give a second Dornier aircraft to the country. Seychelles is strategically located in the Indian Ocean, lying near the vital Sea Lanes of Communication (SLOC). India, wary of Chinese influence in the Indian Ocean region, has been cooperating with the country by undertaking patrolling in its EEZ at its request. It has also gifted it a Dornier and Chetak helicopters. During his visit to Seychelles in March last year, Modi had launched the Coastal Surveillance Radar Project, terming it as yet another symbol of cooperation between the two countries. He had also signed agreements with the Indian Ocean island nation to boost security and maritime partnership. Like Seychelles, India has also given several defence assets to

Maldives.

Source: Press Trust of India, 17 January 2016

Three Chinese Warships Arrive at Sri Lanka's Colombo Port

Sri Lanka Navy, in accordance with naval traditions, ceremonially welcomed three

Chinese naval ships arrived at the Port of Colombo on Sunday. Three People's

Liberation Army-Navy (PLAN) ships, "Liuzhohu", "Sanya" and "Qinghaihu", arrived at

the Port of Colombo on a goodwill visit on 17th January 2016, the Sri Lanka Navy said.

The Commander of the Task Force and Deputy Chief of Staff of the South Sea Fleet of

the PLA Navy, Rear Admiral Yu Manjiang and the ships' Commanding Officers are due

to pay a courtesy call on the Commander of the Navy, Vice Admiral Ravindra

Wijegunaratne at the Naval Headquarters in Colombo on Monday.

As a gesture of goodwill and friendship, the ships' complements will take part in a

friendly soccer and basketball match with the Sri Lanka Navy (SLN) at Welisara Navy

base. Prior to their departure on 21st January, the visiting Chinese ships are due to

conduct a Passage Exercise with SLN craft with a view to share professional expertise

between the two friendly navies.

Source: Colombo Page, 18 January 2016

#### India Deploys P-8I Aircraft to Keep an Eye on Chinese Submarines in IOR

- Aditya Bhat

India fearing Chinese submarines is not unwarranted. In 2014, the Chinese Navy frequently docked its submarines in Sri Lanka, saying they were goodwill visits and to replenish ships on deployment to the Arabian Sea. Later, in 2015, the Chinese Navy, or the People's Liberation Army Navy (PLAN), was seen docking in vessels Pakistan. The frequent visits and the constant reporting on them has led Indian Navy to get the best aircraft in its inventory, P-8I - a long-range, multi-mission maritime patrol aircraft known informally as sub hunter — to patrol the Indian Ocean Region (IOR).

The Times of India reported that Indian Navy has deployed the P-8I aircraft to detect any PLAN submarines that might be snooping around the Andaman and Nicobar Command (ANC). Earlier reports had said PLAN ships trying to get closer to the base had been detected. According to the official quoted in the daily's report, India does not have any weapon platform to deter such incidents.

PLAN ships lurking in the IOR is not uncommon, but they are supposed to tread only in international waters. Moreover, these encounters assume significance following the Chinese construction of islands in the disputed South China Sea region. These events have made Indian Navy deploy P-8I aircraft contracted from Boeing in a government-to-government agreement with the US, where India bought eight such aircraft that boast of indigenous IFF system, AGM-84L Harpoon Block II Missiles and Mk 54 All-Up-Round Lightweight Torpedoes for the aircraft.

P-8I aircraft have an operational range of more than 1,200 nautical miles. They are equipped to perform anti-submarine warfare (ASW), anti-surface warfare (ASuW), intelligence, maritime patrol, surveillance and reconnaissance missions. The P-8I is the Indian variant of the P-8A Poseidon built for the US Navy.

India has ordered four more of these aircraft, according to reports. Two of these has

been deployed for two weeks. Apart from this, IAF and Navy have also deployed

Searcher-II unmanned aerial vehicles in the islands.

The ANC is a combined command with assets from Navy, Army and Air Force. Though

the current Central government had earlier noted that bringing changes in the ANC is

one of its top priorities, the report notes there has not been much progress in the

infrastructure and maintenance support for jetties and airstrips.

Prime Minister Narendra Modi and the Defence Ministry need to resolve these issues,

which may otherwise hamper India's plans to counter the Chinese where and when it

matters the most.

Source: International Business Times, 19 January 2016

Two Warships, ICG Ship Arrive at VOC Port

Two naval warships – INS Tir and INS Sujata – and Indian Coast Guard Ship ICGS

Varuna arrived at V.O. Chidambaranar Port here on Monday. The 3 (TN) NU NCC

organised a visit for Naval NCC cadets onboard the ships to highlight the importance of

Indian Navy in safeguarding the oceans and as a part of their training.

As many as 200 cadets from the unit, including senior division cadets from Aditanar

College, Tiruchendur, VOC College, Kamaraj College, Tuticorin, and Pope's College,

Sawyerpuram, visited the ships, Commanding Officer of the unit Lt. Cdr. Raviraaman

said in a statement. He explained them the features of warships. The cadets were briefed

about the functions of all equipment onboard the ships.

They were also informed about the role of the ships and shown all the training facilities

on navigation, seamanship, boat handling, deck work and communication.

Source: The Hindu, 19 January 2016

Make in India: Navy's New Warships to be made from Indian Steel

R Krishna Das

State-run Steel Authority of India (SAIL) has received an order for supplying steel for

seven frigates to be constructed for the Indian Navy. This is the first time that the Navy's

new warships will be built using Indian steel. Earlier, warship-grade steel was imported

from Russia.

"In all, 24,000 tonnes of steel would be supplied," a spokesperson from SAIL said.

Besides Bhilai Steel Plant (BSP), the other two SAIL entities including Rourkela Steel

Plant (RSP) and Bokaro Steel Plant would be supplying the special warship-grade steel

for the order. The share of BSP would be more.

Garden Reach Shipbuilders and Engineers Ltd (GRSE) in Kolkata would be building

three advanced stealth frigates under the Navy's Project 17A, while the rest will be built

by Mazagon Dock Shipbuilders Ltd.

The order is in line of Make-in-India initiative. "The initiatives including indigenous

manufacture of seven new frigates for Indian Navy for which SAIL is to supply steel

translates into continued demand as well as fresh orders for our products," a SAIL

spokesperson said.

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Earlier, SAIL had supplied DMR 249A grade plates that are specially toughened warship

grade plates. It was used for constructing the hull of INS Vikrant, the aircraft carrier of

Indian Navy that was commissioned in August 2013.

SAIL has thus successfully developed DMR 249A steel plates, thereby making the steel

indigenously available for manufacture of Air Defence Ships and Corvettes by Indian

Navy. The company had supplied more than 26,000 tonnes of DMR 249A steel plates in

the last 9 years.

Source: Business Standard, 20 January 2016

**Indian Aircraft Carrier Visits Sri Lanka Boosting Maritime Cooperation** 

India's largest naval ship, the aircraft carrier INS Vikramaditya, will visit Sri Lanka from

21 - 23 January 2016, Indian High Commission in Colombo said. INS Vikramaditya will

be accompanied by a destroyer, INS Mysore. The ships are transiting from the West

Coast of India to the city of Visakhapatnam on the East Coast of India to participate in

the International Fleet Review being hosted by the Indian Navy next month. Naval ships

from more than 25 countries, including Sri Lanka, will be participating in this

prestigious event.

The visit to Colombo by INS Vikramaditya will be its maiden overseas port call after its

arrival in India two years ago, and is a manifestation of the close maritime cooperation

and mutual trust between India and Sri Lanka.

INS Vikramaditya is the largest and newest of the two aircraft carriers operated by the

Indian Navy, and is equipped with a variety of integral weapons and sensors. It operates

a versatile range of high-performance aircraft, such as the MiG 29K fighter aircraft, KM

31 Airborne Early Warning helicopters, multi-role Sea King helicopters and utility

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Chetak helicopters. The ship is over 285 meters long and 60 meters wide, with her 23

decks scaling a height of 60 meters. The accompanying ship, INS Mysore, is a frontline

missile destroyer made in India.

During their halt in Colombo, the crew of the ships will have professional interactions

with their Sri Lanka Navy personnel. In addition, a number of sports and social

engagements are planned, which are aimed at strengthening ties and mutual

understanding between the two Navies. While departing Colombo, the ships will

participate in a Passage Exercise with the Sri Lanka Navy. The visit of the ships will

provide an opportunity to further deepen the interaction between the two Navies, who

undertake a joint exercise, SLINEX, every alternate year. The Indian Navy also hosts a

number of trainees from Sri Lanka Navy in its professional training institutes.

The Flag Officer Commanding Western Fleet, Rear Admiral Ravneet Singh, NM, is

flying his flag onboard INS Vikramaditya. INS Vikramaditya is commanded by Captain

Krishna Swaminathan, while INS Mysore is commanded by Captain M. Paul Samuel.

Source: Colombo Page, 20 January 2016

**US Navy Launches First Biofuel-Powered Aircraft Carriers** 

Carrier strike group of four ships is the first to begin operating regularly with a blend of

petroleum and biofuels made from beef fat. With guided missile destroyer USS

Stockdale in the background, Captain Brian Weiss holds a sample of the biofuel blend.

The maritime branch touted the warships as the centrepiece of its "Great Green Fleet"

part of a navy-wide initiative that aims to draw 50% of its power from alternative energy

in four years.

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For now, the mix fueling the ships is only 10% biofuels and 90% petroleum. The navy originally aimed for a 50-50 ratio, but the cost was too high, though that could change as competition grows in the alternative fuel industry, navy secretary Ray Mabus told reporters.

Mabus and agriculture secretary Tom Vilsack inspected the carrier group's ships on Wednesday off San Diego, where the nuclear-powered aircraft carrier the USS John C Stennis and the guided-missile destroyer USS Stockdale were preparing for a sevenmenth deployment. The Stockdale and three other ships are the first to begin operating regularly with a blend of biofuels and petroleum.

"It gives us a strategic advantage," Mabus said of the navy weaning off fossil fuel. Turning to alternative energy will give the military options so it is no longer at the mercy of fluctuating oil prices and oil-producing nations that may not have US interests in mind, he said. Vilsack called the navy's "green fleet" a "tremendous opportunity" for the biofuel industry that will benefit farmers and create thousands of jobs.

The officials boarded a helicopter to watch the USS William P Lawrence replenish its tanks with the blend of biofuel, which is made from beef fat from mid-western feedstock and produced by California-based AltAir Fuels.

Critics, including environmentalists, say biofuel production is too costly and on a large scale may do more harm than good if it requires the a lot of farmland, fertiliser and fuel to produce. Mabus contends no land for food production will be used for the biofuels.

The Department of Defense is the world's largest consumer of energy, and the navy uses more than a third of that, but Mabus said going green is not just about reducing the navy's carbon footprint.

"In 2010, we were losing too many marines in convoys carrying fossil fuels to outposts

in Afghanistan, and the prohibitive cost of oil was requiring us to stop training at home

in order to keep steaming abroad, a dangerous and unsustainable scenario," he said in a

statement. All military branches are looking to cut their ties to foreign oil as part of a

national security strategy. The federal government has invested more than \$500m into

drop-in biofuels, which can be used without reconfiguring engines.

All ships and aircraft in the navy have been certified to use biofuels. The fleet also

includes nuclear vessels and hybrid electric ships.

The navy bought 77m gallons (291.47m litres) of the 10% biofuel mix at \$2.05 a gallon to

fuel its ships off the west coast this year. Similar contracts are in the works to fuel ships

elsewhere.

The purchase comes after a 2012 demonstration on the navy's use of alternative fuels

drew fire from lawmakers outraged at the \$26-per-gallon price tag. Legislators passed a

law prohibiting the Pentagon from buying biofuels in mass unless the price is

competitive with that of petroleum.

Retired navy captain Todd "Ike" Keifer, who has published a study on the navy's plan,

said adding 10% biofuels into the mix will not help the environment. He said he does not

believe the navy will ever get "any meaningful quantities of cost-competitive biofuels".

Mabus said the technology is evolving quickly and, in the future, biofuel made from

landfill waste, wood chips and even food waste may usher in lower prices for a blend

with a higher content of biofuels. "That's going to continue to expand as the biofuel

industry ramps up," he said.

Source: The Guardian, 21 January 2016

Work on Stealth Frigates for Navy to Start Next Year at Mazagon Docks

KavithaIyer

Work on with its order book full and set to grow, state-owned shipbuilder Mazagon

Dock Ltd (MDL) expects that its collaboration with Italian shipbuilding firm Fincantieri

will help it improve efficiency and processes, said Rear Admiral Rahul Kumar Shrawat

(Retd), Chairman and Managing Director of MDL.

Fincantieri has been contracted by the MDL for technical collaboration on Project 17A,

comprising seven stealth frigates for the Indian Navy. Four of these are being built by

MDL, and three by Garden Reach Shipbuilders and Engineers. "We will be using an

integrated construction methodology. Construction begins next year. It is a two-year

build period," Rear Admiral Shrawat told The Indian Express.

He said the cooperation with foreign shipbuilders helped augment capacity through

improved processes. "We have already modernised ourselves, improved efficiency, in

order to do things faster. The collaboration will further boost that," said Rear Admiral

Shrawat. The stealth frigates under Project 17A being built in India have been seen as a

boost for the Make in India initiative through a focus on domestic defence

manufacturing.

Asked if he sees Indian shipbuilders ever exporting, Shrawat said the capability was

certainly available at institutions such as Mazagon Docks Ltd, but the reality was that

the government's point of view would naturally be to utilise indigenous capacity first for

the large and growing requirements of the Indian Navy. "If any country were importing

frigates and destroyers, we would be a worthy competitor given that we build world-

class ships," he said, adding that licensing norms for weapon intensive platforms and

the fact that Indian ship builders were already busy with orders for the Navy would have

to be considered.

Source: The Indian Express, 21 January 2016

Maritime Trade, Strong Navy are Interlinked, Says ENC Chief

Maritime trade is important for the economic health of a country and in India it

contributes to the 90 per cent of the volume and 70 per cent of the value. And to have a

safe and secure maritime trade, a country must have a strong navy, said Flag Officer

Commanding-in-Chief Eastern Naval Command Vice Admiral Satish Soni. He was

addressing the students and faculty members of IIM-Visakhapatnam, on the occasion of

its first Foundation Day, here on Wednesday. He went on to add that every country was

vying for the licences from the Seabed Authorities for exploration of natural resources

from the deep seas. And when it comes to natural resources, South Indian Ocean and

Bay of Bengal are rich areas, we need to have a strong navy to defend our waters. "The

future is blue economy and a strong blue water force is the need of the hour," he said.

Referring to a question on whether the Indian Navy was a blue water force, Admiral

Soni said that it was. On leadership skills, the Admiral pointed out that a leader was a

person who has the ability to work hard and the ability to make others work hard.

Stressing on imbibing values, Admiral Soni advised the budding management graduates

not to look primarily towards CTC or salary packages. Success can in life is not to be

measured by how much you earn, but by what you have contributed to society, he said.

On the upcoming International Fleet Review he said that it was an event to be watched,

as 52 countries will be participating. Apart from the huge Indian Fleet, about 22 foreign

warships will be present with 30 heads of navy from 30 countries. Ishwar Murthy, Dean

Faculty, IIM-Bangalore and G. Janaki Ramachandran of IIM-V, spoke.

Source The Hindu, 21 January 2016

#### **INS Viraat Sets off on Last Tour of Duty**

- RajatPandit

NEW DELHI: India's oldest warhorse may now be creaking at all her numerous joints but she is still game for a show of strength, a wee bit of power projection on the high seas for the last time. The 56-year-old aircraft carrier INS Viraat has now set sail for what will be her last operational deployment. The 28,000-tonne INS Viraat, which embarked six Sea Harrier jump-jets as well as six Sea King and four Chetak helicopters from Goa on Wednesday, is headed for Visakhapatnam to take part in the International Fleet Review (IFR) from February 5 to 8."This will be INS Viraat's last journey, a cross-coast deployment signalling the end of her yeoman service for India before she is retired later this year. On her way back to Mumbai, she will call on all major Indian ports as a final salute," said a senior officer on Wednesday.

Originally commissioned in the British Royal Navy as HMS Hermes in November 1959, the 13-storey high carrier was inducted into the Indian Navy as INS Viraat on May 12, 1987. "Mother", as she is still affectionately called, packed quite a punch in her days of glory. She represented two acres of sovereign Indian territory cruising on the high seas, ready to unleash her fighters and other weapons against enemies in a jiffy.

With age and high maintenance costs, the world's oldest operational aircraft carrier has lost most of its teeth. But the Navy has managed to cannibalize together six Sea Harrier jump-jets, which are always a sight to watch since they land vertically on the warship deck after taking off from its angled ski-jump.

Commanded by Captain Puneet Chadha, INS Viraat will be joined by the country's other carrier, the 44,570-tonne INS Vikramaditya with her integral MiG-29K fighters, for the IFR. But INS Vikramaditya, or the refurbished Admiral Gorshkov acquired from Russia in late 2013 after a \$2.33 billion refit, will have to soldier alone as the country's solitary carrier after that.

The 40,000-tonne indigenous aircraft carrier or INS Vikrant being built at Cochin

Shipyard will be ready for induction only by 2018-2019 at the earliest. India will then

achieve its long-standing aim to have two fully-operational "carrier battle or strike

groups" (CBGs), with their accompanying fighters, patrol aircraft, destroyers,

submarines frigates and tankers.

CBGs project raw combat power like nothing else. The US has 11 Nimitz-class nuclear-

powered "super-carriers", each over 94,000-tonne and capable of carrying 80-90

fighters, deployed around the globe. China, too, is fast building new carriers after

inducting the 65,000-tonne Liaoning in September 201, even as it is develops "long

legs" with naval deployments spreading to the Indian Ocean and beyond.

As reported by TOI earlier, the defence ministry has sought a response from all nine

maritime states if any one of them has "a workable proposal" to convert INS Viraat into

a docked museum. The Navy is even willing to handover a few old aircraft for display on

its deck to make it a first-class museum.

The Navy does not want INS Viraat to go the way of INS Vikrant, the country's first

aircraft carrier that was acquired from the UK in 1961 and later decommissioned in

1997.

Source: The Times of India, 21 January 2016

Iran Launches Naval Drills in Indian Ocean

Iran kicked off massive naval drills in its southern waters on Wednesday, the Iranian

navy commander said. The exercises, codenamed "Velayat 94", stretch over an area of

around three million square km from east of the strategic Strait of Hormuz to the

northern parts of the Indian Ocean, Xinhua reported.

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On the first day of the drills, various homegrown vessels including speedboats and Tareq-class heavy submarine, as well as airborne units, were stationed in the zone to prevent the hypothetical enemy from entering the country's territorial waters. Also deployed were coast-to-sea missile launchers, coast-based artillery and electronic warfare systems. The drills are aimed at evaluating the capabilities and testing the military equipment of the Iranian navy forces, the navy's deputy commander, Rear Admiral GholamrezaKhadem Bigham, had said earlier. "Iran's presence in international waters and high seas and holding various navy drills indicate the Islamic republic's high

added.

In the past, Iran carried out a number of navy drills in the Strait of Hormuz, the Sea of Oman, the north of the Indian Ocean, the Gulf of Aden and the Bab-el-Mandeb Strait.

level of preparedness and power," and this is an important deterrent strategy, Bigham

Iran used to test different kinds of missiles, reconnaissance and combat drones, as well as torpedoes.

Source: The Statesman, 27 January 2016

## India to Sell Two OPVs to Lankan Navy in 2017

P.K.Balachandran

India is to sell two Offshore Patrol Vessels (OPVs) to Lanka in 2017, Lankan naval spokesman Capt.AkramAlavi told *Express* here on Thursday. "The first will be delivered in February 2017 and the second at the end of that year. Both vessels are being constructed at the Goa Shipyard," Capt. Alavi said. These will be the first brand new OPVs to join the Lankan navy.

In 2017, the Lankan Coast Guard will be getting two Japanese vessels as part of the

Japanese government's efforts to strengthen maritime security cooperation in the

Indian Ocean region. Daily Mirror has quoted Lankan navy chief Vice Adm.Ravindra

Wijegunaratne as saying that by 2025, the Lankan navy will have acquired five more

OPVs.

The Lankan navy has, at present, three OPVs. "SLNS Sayura, which is the navy's

flagship, was acquired from India on a soft loan. SLNS Sagara was a gift from India. The

third OPV, SLNS Samudura, is a second hand one bought from the US," Capt. Alavi said.

It was thanks to SLNS Sayura, that the Lankan navy was able destroy eight Floating

Warehouses of the LTTE in international waters during Eelam War IV thus preventing

the LTTE from getting vital arms replenishments.

As per Prime Minister Ranil Wickremesinghe' plans, indicated at the last Galle Naval

Dialogue, Lanka will have a small Blue Water navy not only to safeguard its coast but to

take part in international maritime security operations in far flung areas in the Indian

Ocean. Lanka's strategic location in the Indian Ocean, just north of the international

East-West sea trade route, casts a great responsibility on it to keep the route safe from

pirates, smugglers and aggressive states seeking domination.

It is because of Lanka's strategic location that 25 naval ships of various countries have

recently called at Colombo. Three Chinese naval vessels were at the harbor from

January 17 to 21. On January 21 came the Indian Aircraft Carrier INS Vikramaditya. The

British destroyer HMS Defender will dock in Colombo on January 30 and six vessels

from other navies are due in February. Lankan President Maithripala Sirisena has

described these visits as a "blessing".

Source: The New Indian Express, 28 January 2016



## **SHIPPING & PORTS**



### Iran to Launch Shipping Line to North, South America

Managing Director of Iran's Ports and Maritime Organization Mohammad Saeednejad said the country plans to launch a shipping line to North and South American countries, as sanctions against Iran's shipping industry has been recently lifted.

Speaking to the Tasnim News Agency on Sunday, Saeednejad pointed to the announcement of "implementation day" of the nuclear deal between Iran and six world powers late on Saturday, which was followed by the removal of economic sanctions against Tehran, saying that in the new atmosphere created after the deal, additional costs incurred by the country are to decrease.

Iran is planning to launch a shipping line to North and South American ports and there is no obstacle in this area, he said. "Given the country's needs in the post-sanctions era, the volume of exports and imports will surge and accordingly, the number of vessels should increase," the official noted.

The remarks came after Iranian Foreign Minister Mohammad JavadZarif and European Union's Foreign Policy Chief Federica Mogherini on late Saturday announced in a joint statement that the implementation of a nuclear deal finalized by Tehran and world powers back in July 2015 has officially been started.

The joint statement read out by the two top diplomats announced the implementation of the nuclear deal – known as the Joint Comprehensive Plan of Action (JCPOA) – which terminates all nuclear-related anti-Iran sanctions. Experts believe that Iran's economic growth would rise remarkably after the final nuclear deal takes effect.

Source: Tasnim News Agency, 18 January 2016

## Swachh Bharat Abhiyaan: India's top 12 Ports Start 'Project Green Ports' Drive

India's top 12 ports will be made cleaner and greener in a time-bound manner under 'Project Green Ports,' government today said. "Weighing in the environmental perspective for sustained growth, the Ministry of Shipping has started 'Project Green Ports' which will help in making the major ports across India cleaner and greener," Shipping Ministry said in a statement. India has 12 major ports, Kandla, Mumbai, JNPT, Marmugao, New Mangalore, Cochin, Chennai, Ennore, V O Chidambarnar, Visakhapatnam, Paradip and Kolkata (including Haldia), which handle about 61 per cent of the country's total cargo traffic. "Project Green Ports will have two verticals, one is 'Green Ports Initiatives' related to environmental issues and second is 'Swachh Bharat Abhiyaan'," the statement said. The Green Port Initiatives include 12 initiatives, which will be implemented under strict time-bound fashion in order to achieve the targets, it said.

Some of these initiatives are preparation and monitoring plan, acquiring equipments required for monitoring environmental pollution, acquiring dust suppression system, setting up of sewage/waste water treatment plants/ garbage disposal plant and setting up projects for energy generation from renewable energy sources. Besides it will include completion of shortfalls of Oil Spill Response (OSR) facilities (Tier-1), prohibition of disposal of almost all kind of garbage at sea, improving the quality of harbour wastes etc. "Under Swachh Bharat Abhiyaan, the Ministry has identified 20 activities with certain timeline to promote cleanliness at the port premises," the statement said.

Some of the activities are cleaning the wharf, cleaning and repairing of sheds, cleaning and repairing of port roads, painting road signs, zebra crossing, pavement edges, modernising and cleanliness of toilet complexes, placement of dustbins, beautification and cleaning of parks, boards indicating cleanliness messages, cleaning and repairing of all drainages and water systems and tree plantation. "In order to achieve these

objectives, regular training will be provided to the staff in order to generate awareness

and inculcate a positive attitude towards keeping the environment clean and green. All

the Major Ports have already initiated action on the above mentioned activities and are

making good progress," it said.

Cargo traffic handled at the 12 major ports rose by 3 per cent to 447.05 million tonnes

(MT) between April and December this fiscal helped by pick-up in demand. This was

against 433.5 MT cargo handled during the same period in 2014-15.

Source: The Economic Times, 19 January 2016

**Infrastructure Status Granted to Shipyard Industry** 

The government has granted infrastructure status to shipyard industry, a move aimed at

promoting the 'Make in India' initiative. "The Institutional Mechanism on Infrastructure

chaired by Secretary, Department of Economic Affairs has recommended inclusion of

shipyards undertaking shipbuilding and ship-repair under the harmonised list of

infrastructure sectors," the Ministry of Shipping said in a statement today. With this

inclusion, the financial stress which the stand alone shipyards are experiencing will be

eased substantially.

With the infrastructure status, shipyard industry will be able to avail flexible structuring

of long-term project loans, long-term funding from infra funds at lower interest rates

and longer tenure equivalent to the economic life of their assets, relaxed ECB norms,

issuance of infrastructure bonds for meeting working capital requirements as well as

benefits under Income Tax Act, 1961, the statement said.

Promotion of the shipbuilding and ship repair industry in India is important as it has the same impact as infrastructure sector due to higher multiplier effect on investment

and turnover and high employment potential due to multiplier effect of 6.4.

The shipbuilding industry is a strategically important industry due to its role in energy

security, national defence and for developing heavy engineering industry. "Currently the

Indian shipyards employ about 30,000 persons which will go up substantially once this

sector is revitalised," the statement said. To promote the shipbuilding industry under

the 'Make in India' initiative, the government last month approved a proposal for

financial assistance of 20 per cent for ships built in the country.

The implementation of the policy, which would be in force for 10 years, requires a

budgetary support of Rs 4,000 crore.

The proposal included a policy for grant of financial assistance to shipyards, after

delivery of ship, to counter cost disadvantages at 20 per cent of the contract price with a

provision to reduce such assistance at 3 per cent every three years and will be given for

all types of ships. Besides grant of a Right of First Refusal for Indian shipyards for

government purchases, tax incentives were given .From 2025 onwards, only Indian-

built vessels are to be procured by CPSUs for governmental purpose or for own purpose,

the statement said. The statement said to promote 'Make in India' government has

exempted customs and central excise duties on inputs utilised for the purpose of

manufacture of ships.

Source: The Economic Times, 20 January 2016

IMO Names World Maritime Day 2016 Theme "Shipping: Indispensable to

the World"

The International Maritime Organization(IMO) has announced that the theme of World

Maritime Day 2016 will be "Shipping: indispensable to the world." "Without shipping

the import and export of goods on the scale necessary to sustain the modern world

would not be possible," stated the IMO, noting that the international shipping industry

carries about 90 percent of all global trade.

The IMO says that expanding seaborne trade brings benefits to international consumers

through competitive freight costs. The organisation explains that the theme was chosen

to highlight the "critical link" between global society and shipping, as well as to increase

awareness of the relevance of IMO's role as international shipping's global regulatory

body. "The importance of shipping to support and sustain today's global society gives

IMO's work a significance that reaches far beyond the industry itself," said the IMO.

The IMO says that World Maritime Day will be celebrated on September 29, 2016 at

IMO's headquarters, but notes that other events and activities featuring the theme will

be held throughout the year, including the World Maritime Day Parallel Event set to be

held in Turkey in November.

In December, Ship & Bunker reported that the IMO welcomed the climate deal that was

reached at the COP21 talks in Paris, saying it is now "full speed ahead with climate-

change measures."

Source: Ship and Bunker, 20 January 2016

### **China Shipping Industry Shrugging off Container Weight Rule**

- Daniel M. Krassenstein

In less than six months, the new container weight verification rule will take effect. However, the China-based manufacturers, freight forwarders and shipping lines I spoke to don't expect much to change and have only a moderate awareness of what SOLAS even means.

The International Maritime Organization is a specialized agency of the United Nations and is responsible for regulating shipping. The IMO develops and maintains a comprehensive regulatory framework for shipping; including safety, environmental concerns, legal matters, technical co-operation, maritime security and the efficiency of shipping. In May 2014, the IMO's Maritime Safety Committee approved changes to the Safety of Life at Sea convention regarding a mandatory container weight verification requirement on shippers. It will require verification of container weights before containers may be loaded aboard ships and will become legally binding on July 1.

"We are seeing that the majority of factories won't make the investment to purchase their own container weighing scales mainly because of cost and the fact that data from those private scales are only used for reference and not accepted/used by the government," Mike Gottlieb, Asia Development Manager, RIM Logistics, a Roselle, Illinois-based integrator, told me.

The fees for reweighing containers at government container freight stations and unloading extra weight are nominal, so customers would prefer to continue handling the issue in this way rather than making heavy investments in weighing scales that would likely never pay for themselves, Gottlieb said.

"The new container weight rules for containerized cargo packed in China will change nothing as shippers, regardless of their location in China, have always had the weight limits on hand and the capability to make a simple calculation of correct gross mass by

weighing goods at a carton or pallet level," said Mac Sullivan, USA Route Development

Executive at NNR Global Logistics (Nishi-Nippon Railroad's global logistics division).

The China highway authorities weigh the containers and the weights are then verified at

the port gates prior to entry, another integrator said. Therefore, unless the forwarder is

providing consolidation services, there's no need for the forwarder to involve itself with

weight verification. That said, many of the larger manufacturer-exporters do have their

own weighbridges (truck scales) and verify container weights before they are hauled to

port. Sullivan echoed Gottlieb's sentiment that shippers will not invest in weigh stations

or scales and will continue to rely on terminal gate-in weighing. "Accountability in

regards to weight limits will continue to be a grey area as enforcement from terminals

and carriers remains unstandardized," Sullivan said.

My own discussions with local representatives of container carriers have told me that

they are still waiting to see how the ports and the Coast Guard react to the new weight

rules and therefore have not yet set their own policy, but do expect to have something

more solid in the coming months.

Source: JOC, 23 January 2016

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### **GEOPOLITICS & MISCELLANEOUS**



# Ministry of External Affairs will launch Indian version of 'Shangri-La Dialogue' in March

- Dipanjan Roy Chaudhury

India will launch its own version of 'Shangri-La Dialogue' (an annual global strategic and security dialogue in Singapore) beginning with 'Raisina Dialogue' this March with a focus on strategic issues and connectivity in the Asia-Pacific region commensurate with its rising global profile.

The Ministry of External Affairs is behind the idea of convening Raisina Dialogue, to be organised in collaboration with Delhi-based think tank Observer Research Foundation, government sources told ET. The 2016 conclave, likely to be held in early March, will focus on Asia's physical, economic, digital connectivity and fostering common global spaces with an emphasis on Asia.

While India has started playing a key role in the global geo-political theatre there was absence of annual dialogue on the lines of Shangri-La Dialogue organised in Singapore and participated by global leaders to discuss pertinent issues of the day. Sources indicated that the Shangri-La Dialogue will fill that void.

Ministers, senior officials, experts and academicians have been invited for the inaugural edition of the Raisina Dialogue, viewed as India's flagship conference of geopolitics and geo-economics. "It is designed to explore prospects and opportunities for Asian integration as well as Asia's integration with the larger world. It is predicated on India's vital role in the Indian Ocean Region and how India along with its partners can build a stable regional and world order," according to a government note. This Dialogue is envisioned as a multi-stakeholder, cross-sectoral meeting involving policy and decision makers.

But Raisina Dialogue is not the only Dialogue that the MEA is organising. It is also launching another Dialogue - 'Gateway of India' Dialogue in collaboration with Mumbai-based think tank Gateway House. the dialogue will focus on economic diplomacy with an aim to make India a manufacturing hub.

However, it is not just the domestic dialogues that is the focus of the Modi government. The MEA is hoping to have the country represented at the senior ministerial level at various key foreign policy and strategic affairs dialogue platform including Shangri-La Dialogue and Manama Dialogue (held annually in Bahrain by the International Institute for Strategic Studies). "The idea is to expand India's presence at various global levels and getting its voices heard on several key issues and challenges before the international community," a source explained. It is hoped that a senior minister will represent India at the Shangri-La Dialogue this year

Source: The Economic Times, 16 January 2016

#### Taiwan Matters More to China than South China Sea

For China, whose President Xi Jinping is already taking an increasingly muscular approach to claims in the East and South China Sea, the question of Taiwan trumps any other of its territorial assertions in terms of sensitivity and importance. After eight years of calm in what had been one of Asia's powder kegs, the landslide election of an independence-leaning opposition leader, President-elect Tsai Ing-wen, has thrust Taiwan back into the spotlight as one of the region's most sensitive security issues.

Defeated Nationalist forces fled to Taiwan at the end of the Chinese civil war in 1949. China claims Taiwan as its sacred territory, is estimated by Taiwan to aim hundreds of missiles at the island over a narrow stretch of water and has never renounced the use of force to bring it under its control. China carried out rare live-fire drills in the sensitive strait that separates the two sides in September, though Taiwan's defense ministry

described them at the time as routine. "She (Tsai) is going to deal with a very toughminded leader in Beijing," said Chu Yun-han, a professor at the National Taiwan University.

But Tsai will also have to be accountable to her own constituency, especially the more radical, pro-independence younger generation, Chu added. "That doesn't give her too much room for maneuver." The election in 2008 of the China-friendly Ma Ying-jeou, and then re-election four years later, ushered in an unprecedented period of calm with China, with landmark trade and tourism deals signed.

Tsai's Democratic Progressive Party (DPP) is at pains to stress its election will not cause a return to tensions. She addressed the issue of China almost immediately upon claiming victory, saying she would strive to maintain the peace, but added she would defend Taiwan's interests and its sovereignty.

While China has been relatively measured in its response, repeating its standard line about opposing independence, great uncertainty lies ahead. China's official Xinhua news agency warned any moves toward independence were like a "poison" that would cause Taiwan to perish.

In an online commentary on Sunday, Wang Hongguang, a lieutenant general and former deputy commander of China's Nanjing military region, said the People's Liberation Army was now better prepared than ever for operations against Taiwan. "The front line forces are like a tiger who has grown wings," he wrote. "Tsai Ing-wen and her Taiwan independence forces shouldn't think they'll get away with it. The mainland will not swallow the bitter fruit of Taiwan independence."

The outside world should not underestimate the continued importance of Taiwan to the Chinese leadership, said a senior Western diplomat, citing recent conversations with Chinese policymakers on Taiwan. "Nothing is more important than Taiwan to Beijing."

Beijing will have to bear in mind the opinion of a Chinese public that has always been brought up never to question Taiwan's status as an inherent part of China. On Weibo, China's answer to Twitter, the popularity of the phrase "use force to unify Taiwan" soared. "We are just waiting for you to say the phrase 'Taiwanese independence'," said one Weibo user.

In the United States, which has no formal ties with Taiwan but is its most important diplomatic and military supporter, Republican presidential candidate Ted Cruz said the election was "a beacon of light to their neighbors yearning to be free". "Now more than ever, we must stand with Taiwan and reaffirm our commitment to their security," he said in a statement. Taiwan is a key fault line in the Beijing-Washington relationship.

A month before the election, the Obama administration formally notified Congress of a \$1.83 billion arms sale package for Taiwan, prompting anger in Beijing which said it would put sanctions on U.S. firms involved.

A Beijing-based Chinese source, with ties to the People's Liberation Army and who meets regularly with senior officers, told Reuters the election would have "far-reaching" consequences for China's ties with Taiwan, and Sino-U.S. relations. "I'm very worried about what is going to happen now," the source said, speaking on condition of anonymity. "Things have become much darker." Tsai's election is also an embarrassment to Xi, who held a historic meeting last year in Singapore with Ma, and used the occasion to call for both sides not to let proponents of Taiwan's independence split them.

China and Taiwan have nearly gone to war three times since 1949, most recently ahead

of the 1996 presidential election. Then, China carried out missile tests in waters close to

the island hoping to prevent people voting for Lee Teng-hui, who China suspected of

harboring pro-independence views. Lee won by a landslide.

Ties were also badly strained when the DPP's Chen Shui-bian was Taiwan president

from 2000-2008 because of his independence rhetoric, even as he tried to maintain

positive relations with Beijing. But then, the DPP did not have a majority in parliament,

which constrained its agenda. This time, the DPP has also won a parliamentary

majority, which gives it much more leeway to push legislative priorities.

In any case, China does not need to rattle its sabers to pressure Taiwan - Beijing already

holds all the economic cards as the island's most important trade partner and

investment destination. "Taiwan can't survive without international support," said

Michael Kau, a former Taiwan foreign ministry official and now a senior fellow at

Taiwan Foundation for Democracy. "Because our adversary is giant China.

Source: The Maritime Executive, 17 January 2016

U.S. Military Releases First Account of Sailors' Iran Detention

- Robert Burns

In its first official account of Iran's seizure and subsequent release of 10 U.S. sailors in

the Persian Gulf, the U.S. military said Monday the only items found missing from their

two recovered boats were SIM cards for two satellite phones.

But key questions, such as why the sailors had deviated from their planned route to

enter Iranian territorial waters, remain unanswered in the account released by U.S.

Central Command. It's calling the description a preliminary timeline of the events of

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Jan. 12-13. "A Navy command investigation initiated Jan. 14 will provide a more complete accounting of events," Central Command said.

The investigation will focus on the U.S. sailors' treatment while in custody, including any interrogation by Iranian personnel, the command said. Defense Secretary Ash Carter said last week while visiting Central Command headquarters in Florida that the boat crews had "misnavigated." He did not say how that mistake happened or provide other substantial details about an episode that posed a potential complication to efforts by Washington and Tehran to establish better relations. The boat seizure happened just hours before President Barack Obama delivered his State of the Union address and just days before implementation of the Iran nuclear deal with the West. The implementation triggered the end of crippling international sanctions on Iran and a U.S.-Iran prisoner exchange.

The timeline released Monday said the U.S. sailors were not mistreated during approximately 15 hours in Iranian hands. It said a post-recovery inventory of the boats found that all weapons, ammunition and communications gear was accounted for, minus two SIM cards apparently removed from two hand-held satellite phones. The sailors were traveling in small armed vessels known as riverine command boats, headed from Kuwait to Bahrain, which is the location of the Navy's 5th Fleet. "The planned transit path for the mission was down the middle of the Gulf and not through the territorial waters of any country other than Kuwait and Bahrain," the account said. The boats were seized by Iran and escorted at gunpoint to Farsi Island, which is in the middle of the Gulf and home to an Iranian military facility.

Along the approximately 300-mile journey they were to have refueled by linking up with a U.S. Coast Guard vessel, the Monomoy, in international waters. The timeline said that approximately 10 minutes after the scheduled refueling, Central Command's naval headquarters at Bahrain received a report that the boats' crew members were being questioned by Iranians.

About 19 minutes later, the naval headquarters "was advised of degraded communications with" the two boats, the account added. After an additional 26 minutes, the naval headquarters was notified of a total loss of communications with the boats.

A large-scale search-and-rescue mission was undertaken at that point, but it is not clear whether the Americans had by this time already been taken ashore on Farsi Island.

Central Command's naval headquarters at Bahrain attempted to contact Iranian military units operating near Farsi Island by using marine radio to broadcast information about the search-and-rescue operation. Separately, the U.S. notified Iranian coast guard units via telephone. Some hours later, about four hours after the U.S. first heard that the sailors were being questioned by Iranians, the U.S. Navy cruiser USS Anzio received word from the Iranians that the sailors were in Iranian custody. The Iranians described the 10 as "safe and healthy," according to the U.S. account.

In the hours after the seizure of the Americans became public on Jan. 12, there were conflicting reports about what caused the sailors to stray off their intended course. Monday's official account did not explain the reason. It said only that the crews "deviated" from their planned course. It made no reference to the navigation error cited by Carter last week. "At some point one [of the two boats] had indications of a mechanical issue in a diesel engine which caused the crews to stop and begin troubleshooting," the account said. Because the boats were traveling together, the other boat also stopped. At this point they were in Iranian territorial waters, "although it's not clear the crew was aware of their exact location," it added.

While the boats were stopped and the crew was trying to assess the mechanical problem, Iranian boats approached. First to arrive were two small Iranian craft with armed personnel aboard. Soon after, they were joined by two more Iranian military vessels. A verbal exchange ensued between the Iranians and Americans, but there was no gunfire.

Armed Iranian military personnel then boarded the U.S. boats while other Iranian

personnel aboard other armed vessels monitored the situation. At gunpoint the U.S.

boats and their crews were escorted to a small port facility on Farsi Island, where the

Americans went ashore and were detained, the account said. The sailors were released

the following morning aboard their boats.

Source: Santa Fe New Mexican, 18 January 2016

Indo-Lanka Trade Agreement to Cover IT and Maritime Services

Tharushan Fernando

Convening a media briefing on Monday Jan. 18 at, the Ministry of Development

Strategies and International Trade expressed views on the proposed Indo-Lanka Trade

Agreement. Minister of Development Strategies and International Trade, Malik

Samarawickrama, noted that the trade agreement is currently being discussed and there

seem to be no issues. He added it must be understood that India has a population of 1.25

billion while Sri Lanka only caters to the needs of 700 million people.

State Minister of International Trade, SujeewaSenasinghe, noted that an agreement that

only gives Sri Lanka an advantage cannot be signed but said that this agreement works

in the favor of both nations.

When questioned on the service agreement Minster Samarawickrama noted that only

two service agreements are being discussed: the ship dealing maritime services and IT

services. He added that a plan will be formulated by the end of the month, following

which it will be signed as soon as possible. This might only be done closer to the month

of July 2016, he stated. The minster also confirmed that this does not involve the

medical and legal sectors.

Source: News First, 18 January 2016

### India's 'Look East' And 'Act East' Policies Reviewed 2016 - Analysis

- Dr Subhash Kapila

India's 'Look East 'Policy was impelled by economic and political imperatives whereas India's 'Act East 'Policy was impelled by India's strategic imperatives to establish its strategic footprints in South East Asia, a region where India has had established its footprints centuries back and where China has been muscling-in its way for decades.

Requires noting is the fact that while India's visionary Prime Minister P V Narasimha initiated the 'Look East' Policy in the year 1992. India's 'Act East' Policy has taken substantive shape in declaratory terms only with the advent of Prime Minister Modi's regime. More notably, India's 'Act East' Policy was not only impelled by India's own strategic imperatives but also a call by United States and Indo Pacific countries that India's ascendant strategic profile warranted India should also implement an 'Act East' Policy to emerge as a net provider of security in this vital region.

The picture obtaining in 2016 is that India is engaged in an integrated and seamless implementation of both its 'Look East' and 'Act East' policy befitting its emerging power profile. However India cannot rest complacently on its oars and expect that the momentum gained would enable a further smooth sailing ahead.

China looks with disfavour on India's 'Act East' Policy implementation because China believes that South East Asia and the Western Pacific littoral is China's strategic backyard and India has no business in interloping into the region. China can therefore be expected to indulge in some deft manoeuvring in limiting India's growing influence especially enlisting countries like Indonesia, Laos and Cambodia and possibly Thailand also.

Comparatively, India under Prime Minister Modi has been successful in establishing a Special Strategic Partnership with Japan and strategic partnerships with South Korea and the Philippines. India also has a strong and traditional Strategic Partnership with Vietnam where defence and security relationships are being substantially being reinforced.

Notably, India's 'Act East' Policy strengthening of defence and security relationships coincides and rests on Indo Pacific countries which constitute the Outer Perimeter of United States security ring of defence of Continental United States. It may just be coincidental arising from these countries similar strategic concerns on China's not so peaceful rise endangering regional security.

Strategically fortuitous is the emerging strategic reality that portends well for the future stability and security of Indo Pacific Asia is the growing strategic congruencies of India with the United States, Japan, Vietnam and Australia. While this does not portend the emergence of a military alliance of these strategically like-minded nations but it is a strong pointer that despite the absence of a formal military alliance structure there exists strategic space for a loose military cooperative framework. This itself puts in place an existential strategic counterweight of balancing a China bent on crafting a Chinacentric order in Indo Pacific Asia.

In Indo Pacific Asia, in the years to come, India would be expected to play a significant role upholding the security and stability of the region. Leadership roles do not come cheaply or handed on the platter and India should not expect that it's 'Act East' Policy by itself would rhetorically endow it with a salient leadership role. It comes with a price and the price that India would have to pay in this direction is to stand firmly up to China both in the context of the China-India military confrontation but more importantly in measuring up to Indo Pacific nations expectation that it stands up to China in the interest of overall security and stability of Indo Pacific Asia. This is the salient

concluding observation that emerges if India is really to achieve the intended end-aims

of its 'Act East' Policy.

Source: Eurasia Review, 19 January 2016

By 2030, South China Sea will be 'Virtually a Chinese Lake,' Study Warns

Simon Denyer

China will have so many aircraft carriers by 2030 that the South China Sea will be "virtually a Chinese lake," a new U.S. study warns, arguing that the balance of power in

the Asia-Pacific region was shifting away from the United States.

Meanwhile, President Obama's strategic "rebalance" to Asia has neither been clearly enough explained nor sufficiently resourced to cope with rising threats from China and North Korea, the report by the Center for Strategic and International Studies found.

It said the United States should sustain and expand its military presence in the Asia Pacific, as well as accelerate efforts to strengthen the capabilities of its allies and partners. The CSIS study was carried out after Congress required the Pentagon to commission an independent assessment of U.S. strategy in the Asia-Pacific region.

It concluded that Obama's rebalance needed more attention and resources, especially as China has accelerated the pace of "coercive activities" and island-building in the South China Sea and the East China Sea, and North Korea has continued to develop its nuclear and ballistic missile capabilities.

"Chinese and North Korean actions are routinely challenging the credibility of U.S. security commitments, and at the current rate of U.S. capability, the balance of military power in the region is shifting against the United States," it said. China rails at 'hegemony and hypocrisy' as U.S. vows to continue sea patrols.

It argued that China would have multiple aircraft carriers in the region by 2030, allowing it to overawe other nations without necessarily having to behave in an overtly menacing fashion. China formally announced at the end of last year that it was building a second aircraft carrier, and it is expected to build more in the years ahead. China confirms work on second aircraft carrier amid naval expansion "For rival claimants in the South China Sea, this is a game changer," the report said. "There will almost always be a Chinese CSG (carrier strike group) floating in contested waters, or within a half-day's steaming time."

Whether China has seized territory or negotiated a resource-sharing scheme with other claimants, "the South China Sea will be virtually a Chinese lake, as the Caribbean or the Gulf of Mexico is for the United States today," CSIS said. Global powers condemn North Korea's nuclear weapons test. That will also make U.S. naval operations in the South China Sea a risky proposition, other than through U.S. submarines.

The rebalance was supposed to be one of Obama's top foreign policy priorities, but other international crises, including conflict in the Middle East and the rise of the Islamic State militant group, as well as tension with Russia, have sucked up much of the administration's attention.

This report may fuel criticism that Obama has neglected the threats posed by China's rise and North Korea's belligerence. CSIS identified three main U.S. goals in the region — protecting U.S. citizens and allies, promoting trade and economic opportunity, and promoting universal democratic norms — but expressed concern that the rebalance "may be insufficient to secure those interests."

It argued that capping military resources at budget levels set by the Budget Control Act

would "severely constrain implementation of the rebalance" and called for Congress "to

forge a long-term bipartisan agreement to fund defense at the higher levels for which

there is a broad consensus."

It also complained that there was confusion throughout Washington and across the

Asia-Pacific region about the rebalance, as well as concern about its implementation,

partly because there has been no central statement explaining the strategy. "Addressing

this confusion will require that the executive branch develop and then articulate a clear

and coherent strategy, and discuss that strategy with Congress as well as with U.S. allies

and partners across the world," the report recommended.

But the United States should also build up the ability of its allies and partners in the

region to respond to rising threats. "Securities challenges are increasingly outpacing the

capabilities of frontline regional states," it said. Obama turns on personal appeal while

trying to bolster his pivot to Asia. Obama's Asia rebalance turns into headache as China,

Japan relations spiral down.

Source: The Washington Post, 20 January 2016

Indo-Pacific Region is of 'Maximum Priority' for Australia

Describing its relationship with India and China as a "complicated dance", Australian

envoy Patrick Suckling today stressed on the need to have a "balance of power" in the

Indo-Pacific region.

Suckling called the region, which marks the confluence of Indian Ocean and the Pacific

Ocean, a strategic domain of "maximum priority" for Australia where he said a lot

of "realist" foreign policy was at play.

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The outgoing High Commissioner said that it was imperative that Australia works with

India to develop multilateral institutional "architecture" along the lines of the European

Union in the region.

When asked about Australia's ties with India and China, he said, "It's a complicated

dance. But for us, it should not be seen as a binary choice. We should be able to manage

both relationships. We should be able to work with those complex elements." "Yes there

are strategic issues between India and China. But you have to work relationships on

their merits.

In terms of China, it is our largest trade partner and we work as hard as we can,"

Suckling said. He was addressing students at an event, organised by the Australia India

Institute, at Lady Shri Ram College for Women here. The college has a student exchange

programme with Melbourne-based La Trobe University. Suckling, who took charge as

High Commissioner to India in 2013, said that the ties between the two countries

that suffered from a "stop-start" syndrome in the past, "has never been better". He

identified areas of energy, mining, skills & education, geo-strategic interests as a few of

the working domains between the two countries. Suckling said that Prime Minister

Narendra Modi has invited Australian mining companies to invest in India in order to

modernise India's mining sector and also in the areas of skills and education. "We have

significantly improved intelligence relationship and military cooperation also. All sorts

of dialogues have proliferated. People to people contact is also building a very strong

fabric. People are driving the relationship forward," he said.

Source: Niti Central, 23 January 2016

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### India Vital to Stability in Asia Pacific, Indian Ocean Region: Obama

India can be an anchor for stability and security in the Asia Pacific and Indian Ocean, US President Barrack Obama said in Sunday. In an interview, the US president said: "The United States looks forward to the work we can do together. We continue to expand our military exercises and maritime cooperation so that our forces become inter operable. We are increasing our defence trade, and we're collaborating more closely to jointly develop defence technologies." He also said India and the US had agreed to a "new joint vision" for the Asian Pacific and Indian Ocean regions.

Obama also said the US recognises that the Indian Ocean is vital to the security of the region and the global economy, replying to a question on what role he sees for India in the emerging security situation in the Asia Pacific given what is happening and the nuclear tests by North Korea. "Our vision recognises that the Indian Ocean is vital to the security of the region and the global economy. And it welcomes India's determination to 'Act East' with stronger security and economic partnerships across the region," the US President said. "We have elevated our trilateral cooperation with Japan, including on disaster response and humanitarian assistance. And we very much welcome India's increased ties with the region."

Obama also warned China to follow rules of international law, referring to the South China Sea dispute. "...It's rooted in our shared interests in a region that's peaceful and prosperous and where all countries play by the same rules, in accordance with international law and norms, including freedom of navigation," Obama said in the interview.

The Asia Pacific region has witnessed tension after China flexed its military muscle in the resource-rich South China Sea. The South China Sea is also a major shipping lane. Over half of the world's commercial shipping passes through the Indo-Pacific waterways. China claims almost the whole of the South China Sea, resulting in overlapping claims

with several other Asian nations such as Vietnam and the Philippines, Malaysia and

Brunei, who accuse the Asian giant of reclaiming land illegally in contested areas to

create artificial islands with facilities that could potentially be for military use.

The US has criticised Beijing for building artificial islands in the disputed sea, and has

flown a B-52 bomber and sailed a guided-missile destroyer near some of the

constructions China has made in recent months, which has lead to rising tensions

between the two countries.

Obama said as president he had worked to renew American leadership in the Asia

Pacific because the security and prosperity of the region is critical to its own and that of

the world. "I am proud that, even as we continue to meet pressing challenges elsewhere

in the world, we've rebalanced our foreign policy and are now playing a larger role in the

region."

Obama said the US has strengthened alliances, modernised its defence posture, worked

to build constructive relationship with China, helped strengthened regional institutions

like ASEAN and East Asia Summit and expanded cooperation with emerging powers,

including India.

Source: The Tribune, 24 January 2016

The New Geo-Politics in Asia...and Farewell

Peter Drysdale

Many are trying to get their minds around what the huge change in the contours of

regional power mean for the stability of the political order in Asia today. Are we doomed

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to inevitable conflict between the established powers, the United States in particular, and the emerging powers, notably China, as they jostle for political space?

On the surface it looks as though a tussle for hegemony over Asia might re-emerge around the flashpoints of territorial and other tensions in the East and South China Seas. To some, China and the United States appear to be muscling up to each other in the Asia Pacific security theatre, playing out traditional great-power politics in an increasingly dangerous game. John Mearsheimer reckons, for example, that rising powers must expand to survive, commonly leading them to seek regional hegemony and provoking conflict. Others suggest that international stability is a function of the number of great powers and the distribution of capabilities among them. A world in which there are more centres of power, in this view, is more prone to instability and conflict than one in which there is only one or two, so maybe China and the United States can do what Hugh White argues they need to — sort out mutually compatible regional roles.

The growth of Asia's economic power and the potential that brings for the projection of political and military power (though not inevitably as the example of Japan thus far attests) has thrust the region onto centre stage of changing great-power global politics.

But does the economic and political transformation of Asia inevitably portend the rivalrous carve-up of Asia into the big-power fieldoms that much of what passes for security thinking about the geo-politics of the region these days presumes?

Andrew Sheng says that the past year will be remembered as a year of shambolic shifts towards a more multipolar economic and political order in Asia and the Pacific. 'The United States alone can no longer shape global destiny but will have to share power with allies and rivals, even as regional powers find themselves threatened by their own challenges'.

Sheng says there are four big interlocking forces that underscore the need for power-sharing, cooperation and adaptation: geopolitics, geo-finance, technology and climate change. At the geo-political level, the US pivot policy to the Asia Pacific in 2011 opened up the South China Sea as a new front of tension, even before the United States had managed to withdraw from the Middle East. Managing competing interests in the South China Sea even as China projects its peripheral power will be tricky into the future. The rise of regional powers, Sheng argues, means geo-political tussles with higher stakes, as in the South China Sea. 'The potential for regional economic crisis, widespread technological shifts and climate change are three pressing issues that can no longer be solved by a declining hegemonic power alone, but require cooperation between affected states'.

In this week's lead essay, Amitav Acharya underlines similar contradictions, agreeing with Sheng, in effect, that 'the economic imperatives for cooperation have become as important as shifting political alliances'. 'Take the United States and China', says Acharya. 'Washington insists that its rebalancing strategy enhances regional stability. Sure enough, it is possible to see the military dimension of rebalancing as crucial to maintaining the military balance of power in the region. But the economic aspect of rebalancing — the Trans-Pacific Partnership (TPP) — excludes China and challenges United States—China economic interdependence. Similarly, China professes a deep interest in enhancing regional economic interdependence. But its own initiatives, the Asian Infrastructure Investment Bank (AIIB) and One Belt One Road, challenge long-standing modalities of regional economic cooperation'.

Security pluralism, argues Acharya, characterises the new political order in Asia. Security pluralism is not a purely balance of power system; it relies on other mechanisms. Security pluralism drives 'mutual accommodation among unequal and culturally diverse states that preserves the relative autonomy of each and prevents the hegemony of any or a few ... (and) respects political and cultural diversity, but fosters

accommodation among the great powers and their restraint towards the weaker actors, such as ASEAN members'.

This is a better description of the Asia we live in today, reckons Acharya, than one that is straitjacketed into the paradigm of great power politics. If it is, one must agree with him that it's a region ripe for institutional restructuring and innovation.

### ...and farewell

The month of May this year will mark the eighth anniversary of my posting these pieces on East Asia Forum in the form of EAF's weekly editorial. The first posts, I'm amazed to be reminded, flowed every day or two for a couple of months after EAF hosted a major international policy forum in Sydney to explore developments in the regional economy and political relations after the global financial crisis. That forum was the genesis for what became an expanded East Asia Summit — including the United States and Russia as well as ASEAN plus six — via the failure of former Australian prime minister Kevin Rudd's hastily conceived and ill-fated Asia Pacific Community idea.

Eight is a good round number — even a propitious number. This will be the last individually authored editorial I shall publish on EAF. It's time for succession and to call in the team. The weekly editorial will continue as a collective effort.

An expanded editors' group in the Crawford School of Public Policy in the College of Asia and the Pacific at The Australian National University will join Shiro Armstrong and me to continue the work that was begun eight years ago. We hope that you continue to find our Editorial Board's collective effort valuable and relevant.

EAF has become the world's leading centre of commentary on Asian affairs, with its twice daily contributions from top analysts and rising stars from around the region. This achievement is importantly a product of the ownership our contributors feel towards the product they produce each and every day of the year — and their partnership with EAF in stringent review and editing of their work. With over 30,000 subscribers of influence and their uptake in quality mainstream media, the EAF weekly editorials and posts will continue to take the responsibility to you, our readers, as seriously as your keen and loyal readership properly demands.

Source: East Asia Forum, 25 January 2016