



MAKING WAVES

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Nigeria: Buhari Leads Security Team to Malabo for Maritime Policing

-Isiaka Wakili

President Muhammadu Buhari will tomorrow travel to Malabo for talks with President Obiang Nguema Mbasogo of Equatorial Guinea on further measures to protect the people and resources of the Niger Delta and Gulf of Guinea.

Presidential spokesman Mr Femi Adesina said in a statement today that this was in continuation of the Federal Government's efforts towards achieving greater security of lives, resources and investments in all parts of Nigeria and its sub-region. He said President Buhari would be accompanied by the Minister of Defence, Brigadier-General Mansur Dan-Ali (rtd); the National Security Adviser, Major-General Babagana Monguno (rtd) and other senior security officials.

Adesina said the conclusion and signing of an agreement by Nigeria and Equatorial Guinea for the establishment of a combined maritime policing and security patrol committee on Tuesday is expected to be the major outcome of Buhari's talks with his host. He said Buhari and Mbasogo are also expected to discuss and agree on other collaborative measures to combat crimes such as piracy, crude oil theft, attacks on oil rigs, arms smuggling and human trafficking in the Gulf of Guinea.

He said both leaders would also confer on the rescheduling of the joint summit of the Economic Community of West African States and the Economic Community of Central African States on additional cooperative measures to curb terrorism and violent extremism in West and Central Africa. Adesina noted that the summit was to have been hosted by Equatorial Guinea last year, but was postponed because of Nigeria's general elections. The presidential spokesman said President Buhari was scheduled to return to Abuja on Tuesday.

Source: [All Africa.com](http://AllAfrica.com) March 13, 2016

Navy intercept suspect al-Shabaab arms haul heading for Somalia

Operating as part of Combined Task Force 150 (CTF150), Australian ship HMAS Darwin has uncovered and seized a large weapons cache following the boarding of a small fishing style vessel in the Middle East.

HMAS Darwin intercepted the vessel approximately 170 nautical miles (313 kilometres) off the coast of Oman and initially conducted a flag verification boarding.

After assessing the vessel to be stateless, HMAS Darwin searched the vessel and discovered 1989 AK-47 assault rifles, 100 rocket propelled grenade launchers, 49 PKM general purpose machine guns, 39 PKM spare barrels and 20 60mm mortar tubes.

These weapons were seized from the vessel that was heading towards the Somalia coast. The weapons were seized under United Nations sanctions which authorise interdiction on the high seas of illicit weapons destined for Somalia. Vice Admiral David Johnston, Australian Chief of Joint Operations, said: "the seizure on Darwin's first patrol of such a large haul of illicit weapons is highly significant".

He added: "Australia worked as part of the multinational Combined Maritime Forces to discover and seize these illegal weapons.

"One of the key reasons HMAS Darwin is deployed to the region is to contribute to global security and counter international terrorism.

"Darwin's successful boarding and subsequent seizure of the weapons concealed under fishing nets highlights the need to remain vigilant in the region."

Commodore Jaimie Hatcher, AM, RAN, Commander CTF150 said: "HMAS Darwin is to be congratulated on such a significant seizure.

This operation demonstrates the ongoing commitment that CTF150 and Combined Maritime Forces have to ensuring that those who seek to use the maritime domain to support terrorism are not successful."

HMAS Darwin is deployed as part of the CMF and is assigned to the Australian led Combined Task Force 150.

CMF is a multinational effort to prevent terrorism, piracy and drug smuggling, encourage regional cooperation and promote a secure maritime environment in the Middle East and off the east coast of Africa.

Source: CoastWeek.com March 15, 2016

RMN moves to strengthen country's maritime security

The Royal Malaysian Navy (RMN) is set to consolidate all its naval units from 15 classes to five in an effort to strengthen the country's maritime security. Navy chief Datuk Seri Ahmad Kamaru-l-zaman Ahmad Badaruddin said this is part of the RMN's transformation programme to strengthen its armada and also to be cost effective.

"The replacement process will be done in stages. We will focus on the abilities of the local industry and from 15 classes we will consolidate it to five classes. "The five classes are New Generation Patrol Vessels (NGPV), Littoral Combat Ships (LCS), submarines, Littoral Mission Ships (LMS) and Multi Support Ships.

"This will be done in accordance with the allocation set by the Government," he said after accompanying Defence Minister Datuk Seri Hishammuddin Hussein to launch the keel-laying ceremony for the first of six LCS' at the Boustead Naval Shipyard here yesterday. The RMN is set to be bolstered by six LCS built by Boustead, an associate company under Boustead Heavy Industries Corporation Berhad (BHIC).

The six ships, estimated to be worth RM9bil, will be equipped with superior four-dimensional warfare capabilities for electronic, air, surface and underwater threats integrated with state-of-the-art systems. One interesting part of the ship is its stealth capability, which reduces radar reflection to minimise visibility and detection and it is also capable of rapid launch and recovery of boats.

BHIC executive deputy chairman Tan Sri Ahmad Ramli Mohd Nor said the shipyard has contributed significantly in enhancing the assets of the armed forces and naval sector. Hishammuddin said the LCS will be the biggest combat ship built in the Malaysian armada and added that even though the economy is slow, the security and defence aspect of the country will not be compromised.

The first LCS vessel is expected to be completed in early 2019, with subsequent vessels to be completed at 10-month intervals thereafter.

Source: [The Star Online.com](http://www.thestar.com.my) March 9, 2016

US Admiral Proposes 4-Nation Effort to Safeguard Freedom of Navigation in Asian Waters

-Patrick Goodenough

For the second time in ten days, a senior U.S. official has raised the prospect of joint U.S.-India naval patrols in a region where China's expanding territorial and military ambitions have raised tensions, and this time the top U.S. military commander in the Pacific suggested widening the proposed cooperation to include Japan and Australia as well.

Addressing a geopolitics forum in New Delhi, U.S. Pacific Command chief Adm. Harry Harris referred Wednesday to "quadrilateral" U.S.-India-Japan-Australia cooperation. A strategic dialogue initiative involving the four countries caused waves with Beijing when first attempted during the Bush administration in 2007.

Harris recalled that India, Japan and Australia last year held a first, high-level, three-way dialogue, which addressed topics including maritime security and “freedom of navigation patrols.”

“An idea to consider is perhaps expanding this trilateral to a quadrilateral venue between India-Japan-Australia and the United States,” he said. “We are all united in supporting the international rules-based order that has kept the peace and is essential to all of us.”

After noting other recent interaction between the countries concerned – including a meeting between the Japanese and Australian prime ministers “where both voiced opposition to coercive actions in the South and East China Seas” – Harris raised the prospect of naval cooperation among the four.

“By being ambitious, India, Japan, Australia, the United States and so many other like-minded nations can aspire to operate anywhere on the high seas and airspace above them,” he said.

“The idea of safeguarding freedom of the seas and access to international waters and airspace is not something new for us to ponder – this is a principle based upon the international, rules-based global order that has served this region so well.”

Harris said the U.S. Navy has conducted “freedom of navigation patrols” (FONOPS) for decades without incident, adding that “no nation” should perceive them as a threat. He also said, though without naming China, that “some countries seek to bully smaller nations through intimidation and coercion.”

His references to FONOPS and the “rules-based global order” have particular relevance to the situation in the South China Sea, where the U.S. Navy is carrying out such patrols near artificial islands built by China in support of its claims to territory contested by half a dozen other countries.

The last time “quad” navy cooperation in Indo-Pacific waters took place, it occurred in parallel to four-way security dialogue initiated by Japanese Prime Minister Shinzo Abe during an earlier term in office.

In 2007, a long-running annual U.S.-Indian joint naval exercise was expanded for the first time to include Japanese, Australian and Singaporean warships. Twenty-eight ships, including two U.S. Navy carrier strike groups, 150 aircraft and more than 20,000 personnel were involved in the week-long Malabar exercise off India’s east coast.

But Australia under a subsequent Labor government backed away from the “quad” initiative, leery of its effect on Canberra’s relations with Beijing.

Subsequent Malabar exercises have been bilateral (India-U.S.) or trilateral (India-U.S.-Japan).

‘Stunning’ progress in US-India ties

Although India denied a recent report claiming that it was considering joint patrols in the South China Sea with the U.S. Navy, U.S. officials continue to allude to the possibility.

Harris’ comments Wednesday came several days after U.S. Ambassador to India Richard Verma in a speech voiced the “hope that in the not too distant future United States and Indian Navy vessels steaming together will become a common and welcome sight throughout Indo-Pacific waters.”

Despite Indian concerns about China – a close partner of India’s rival, Pakistan – Delhi has not rushed into strategic alliances in the region. Under the former ruling Congress party in particular, it was wary of both the U.S. and China, while enjoying close relations with Moscow.

But relations with the U.S. have deepened since Prime Minister Narendra Modi of the Bharatiya Janata Party took office in 2014. Defense Secretary Ashton Carter will soon

visit – his second trip to the country in the space of a year – and Chief of U.S. Naval Operations Adm. John Richardson visited last month.

Last December, Carter’s Indian counterpart Manohar Parrikar paid a visit to Washington and Hawaii during which the two militaries agreed on several joint naval exercises this year.

Harris on Wednesday called the progress “stunning.”

“We went from rarely talking only a few years ago to not only talking together, but doing together,” he said. “Skepticism, suspicion, and doubt on both sides have been replaced by cooperation, dialogue, and trust.” At a Pentagon press conference last week, Harris said his goal was to improve the U.S.-India military relationship “dramatically.”

“I think that two countries like India and the United States, the world’s two largest democracies, we share values and we share interests and we share concerns,” he said. China’s Communist Party-affiliated *Global Times* published an op-ed last week in which a Chinese scholar warned that navy patrols in the South China sea by any country not party to claims there would signal that the country is taking sides and provoking China. India would be better off remaining neutral, wrote Long Xingchun. “Conducting joint naval patrols with Washington in the South China Sea will do nothing but showing its hostility against Beijing and devastate their strategic mutual trust, which will also compel the Chinese government to adopt changes in its India policy,” he wrote. “In economy, politics and security, China is far more capable of making trouble for India than the reverse.”

But Indian strategic affairs analyst Dr. Subhash Kapila of the South Asia Analysis Group said it was in India’s national interests to cooperate with the U.S. and other regional navies “to checkmate China’s military adventurism and brinkmanship in the South China Sea and the Indian Ocean. India does not have to be apologetic on Indian Navy Task Forces operating in the South China Sea as much as China operating nuclear

submarines on patrol in the Indian Ocean under the guise of anti-piracy naval operations,” Kapila said

Source: [CNS News](#), March 3, 2016

India Rejects Joint Naval Patrols with US in South China Sea

-Anjana Pasricha

India has ruled out participating in joint patrols in the South China Sea proposed by the United States. Experts say that India wants to focus on containing Chinese influence in the Indian Ocean and despite a growing strategic partnership, it remains wary of being part of a military alliance with Washington.

The proposal that the navies of Japan, Australia and India could join the U.S. in preserving freedom of navigation in the contested waters of South China Sea was voiced recently by chief of the U.S. Pacific Command, Admiral Harry B. Harris. But within days, Indian Defense Minister Manohar Parrikar said, "As of now, India has never taken part in any joint patrol; we only do joint exercises. The question of joint patrol does not arise."

“The biggest example in contemporary times is the Gulf of Aden patrols. From 2008 onwards when piracy has infested the Gulf of Aden and North Aegean Sea, India has not joined hands with any NATO or any other construct,” said Sharma. Wary of China’s push in South China Sea, where maritime and territorial disputes are festering, India has shed its traditional diffidence and been vocal in calling for freedom of navigation and maritime security in the disputed waters.

At the same time, strategic experts say that New Delhi wants to be seen as a “neutral player” in an area where it is not directly involved.

Manoj Joshi at the Observer Research Foundation in New Delhi says India is concerned about the potential ramifications in the Indian Ocean if its ships take part in U.S.-led patrols in waters close to China. “India is worried that if we do joint patrols with the U.S, the Chinese could do it to us with Pakistan. That is really the worry -- the US navy can operate globally, but India is not that powerful and that same thing could be turned on its head as far as we are concerned,” says Joshi.

Beijing’s bid to expand its presence in the Indian Ocean remains a huge concern for India and has partly prompted its growing defense partnership with Washington. Overriding Chinese objections, last year India invited Japan back into annual naval exercises held with the U.S. for the first time in eight years.

Planned exercises

This year, the three countries are scheduled to hold naval drills in waters off the northern Philippines near the South China Sea — a move that is likely to irk Beijing.

But for the time being, joint exercises is as far as India is willing to go. “If India and the U.S. have not contemplated similar kind of patrol in Indian Ocean, what could justify India and U.S. patrolling waters of South China Sea?” asks Chintamani Mahapatra, a foreign policy professor at Jawaharlal Nehru University in New Delhi.

India’s decades-long border dispute in the Himalayas with Beijing where their armies face off is also likely to hold New Delhi back from wading into the contentious waters of South China Sea. “We have a long border and it is just us and them on that border. We will certainly stand firm in our position, but we don’t want to provoke,” says Jayadeva Ranade, a China specialist at India’s National Security Advisory Board.

Source: [Voice of America](#) March 11, 2016.

Get Ready, India: China's Navy is Pushing West

-James Holmes

There are worse things than fleeing the bleak New England midwinter for warmer climes—such as Jaipur, India’s famed “Pink City.” So cold was it when I departed Providence last month that the nozzle on my plane’s fuel hose froze shut, grounding the plane until the crew could unfreeze it.

Frolicking around in shirtsleeves at a Mughal dynasty fort in Rajasthan was a welcome relief from frostbite. The occasion for the trip, though, was three days of “quad-plus dialogue” about sundry topics important to Indian Ocean powers. The “quad,” or standing membership for these unofficial “track II” gatherings, refers to India, Australia, Japan and the United States. Sri Lanka is the “plus,” or rotating participant, for this year.

Maritime governance in the Pacific and Indian oceans was the subject of my panel. China came up repeatedly during the gathering, which should shock no one. After all, China—a great power on the make—constitutes a menace to freedom of the seas in East Asia. Communist Party apparatchiks and ordinary Chinese alike seem to view water and sky as territory to be occupied, controlled and ruled through domestic law. And the People’s Liberation Army (PLA), predictably, is militarizing the South China Sea with verve, protestations from top leaders notwithstanding.

How to manage a great-power challenge to nautical freedom is a question of a higher order altogether than how to police the Indian Ocean. Think about it. Ne’er-do-wells like corsairs, weapons traffickers and seagoing terrorists are the main threats to free navigation in maritime South Asia. Everyone, including Beijing, can agree to work together to combat brigandage in the Gulf of Aden or Bay of Bengal, expanses largely free of great-power entanglements. China plays reasonably well with others to the west of Malacca.

During the Q and A following our panel, I got into a cordial shouting match with a retired Indian admiral and general about how long the present era of good feelings would endure. (We almost had to resort to pistols at daybreak.) The debate boils down to this: When will the PLA Navy be strong enough to overpower the Indian Navy in the Indian Ocean, an expanse that New Delhi considers an Indian preserve, if Beijing gives the word?

The good news: we all agreed that doom is not nigh. While occasionally irksome, the burgeoning PLA Navy presence in regional waters poses little threat for now. But we arrived at that happy conclusion by different routes, and drew different implications from it. The Indian delegates cited shortfalls in Chinese “capability,” opining that it will take the PLA Navy “at least fifteen years” to station a standing, battle-worthy naval squadron in the Indian Ocean. Such a sanguine view rules out a Chinese threat; it lulls Indians.

That might not be such a good thing, considering the growth of Chinese military might over the past couple of decades. Nonetheless, let’s parse the optimists’ view. What constitutes “capability” for the PLA Navy? By that, Indians must be referring to some amalgam of technologically sophisticated hardware; the number of ships, planes and armaments cranked out by defense production lines or procured abroad; and the seamanship, tactical prowess and élan displayed by the mariners who operate this shiny new kit.

“Capability” also encompasses logistics—especially when a navy contemplates instituting a standing presence in distant seas. Modern navies are far from self-sufficient. Ships of war, even nuclear-powered ones, cannot ply the briny main for long without a ready supply of bullets, beans and black oil. That’s U.S. Navy shorthand for the manifold stores demanded by fuel- and maintenance-intensive vessels. And ships and warplanes need regular upkeep. It’s most convenient to perform maintenance in the theater—close to likely hotspots—rather than subject hulls and crews to long voyages back home for overhaul.

To deploy a fleet permanently to remote waterways, in short, a navy needs bases—facilities complete with supply and ammunition depots, dry docks, all manner of workshops, and more. Without one or more lavishly appointed naval stations, Beijing will find it hard to stage more than a fitful presence in the Indian Ocean.

It may be taking steps to correct the logistical shortfall. Last month, engineers broke ground on what reporters touted as China’s first overseas naval base, at Djibouti in East Africa. Well, maybe. In all likelihood the facility will remain a more humble affair than American naval stations such as Yokosuka and Sasebo, which anchor the U.S. Seventh Fleet presence in Japan. It’s worth pointing out, moreover, that the U.S. Navy and Japan Maritime Self-Defense Force also operate out of Djibouti.

And China does need some sort of logistical hub. The PLA Navy generally keeps a three-ship squadron on station for antipiracy duty. A small flotilla demands logistical support, but can get by without a true naval base. Each flotilla rotates back home once another takes its place. Returning ships undergo major maintenance at Chinese shipyards.

Nevertheless, construction at Djibouti furnishes an index for tracking China’s naval ambitions in the Indian Ocean. Monitoring what Chinese engineers build and how seafarer’s use it may help fellow Indian Ocean powers glimpse what comes next for the PLA Navy in the region. Minimal infrastructure implies a transitory presence, commensurate with police duty, while major infrastructure suggests something bigger. Beijing may want to lay the groundwork for a presence aimed less at scouring the sea of lawbreakers and more at entrenching Chinese naval power in South Asia.

Indians afford such developments close scrutiny, as they have for at least a decade. I lost count of the number of times various quad-plus interlocutors stated, more or less as fact, that China is fashioning a “string of pearls” in the region. That’s the commonplace imagery for an array of Chinese naval bases. It could mean full-fledged naval stations. It could connote lesser arrangements—say, agreements with coastal-state governments that open their seaports to China, letting PLA Navy vessels tarry there routinely but impermanently.

Or a string of pearls could combine both types of arrangements, much as U.S. Navy fleets make their homes at hubs like Yokosuka and Bahrain, yet call at harbors like Singapore for sustenance and R&R from time to time. It's doubtful that China is operating under some grand plan to make itself master of the Indian Ocean. In all likelihood, Beijing is amassing options for itself should it someday see the need for a standing presence in the region. Bankrolling development of strategically located seaports like Gwadar in western Pakistan, or Colombo in Sri Lanka, stores up goodwill with prospective host nations while presumably creating a sense of indebtedness on their governments' part. China could call in such favors during future negotiations over naval access.

It would consolidate its strategic position in the Indian Ocean in the process. The phrase string of pearls, accordingly, has taken on sinister overtones for many Indian observers. One quad-plus delegate upbraided China for encroaching on India's environs, voicing a wish that New Delhi and friendly governments will prod Beijing to keep its naval expeditions in the region brief, episodic and geared to specific missions, such as succoring those struck by natural disasters. Indians, in short, want China to forego permanent bases—the logistical pillar of sea power.

One Chinese ship type in particular rankles with Indians: submarines. The Indian delegates at Jaipur fretted repeatedly at PLA Navy subs' presence in regional waters. Beijing has pushed the official line that Chinese boats cruise the Indian Ocean to battle piracy. Indians regard this as a charade. Undersea craft are decidedly suboptimal platforms for chasing speedboats around the Gulf of Aden. Skeptical Indians thus view Beijing's story as flimsy cover for missions that are meant to acquaint Chinese submariners with future patrol grounds.

Taken in total, this seems to be what Indians mean by capability: naval hardware, access to seaports, the human factor and familiarity with operating terrain. Whether it would really take the PLA Navy fifteen years to amass the makings of Indian Ocean sea power, however, remains an open question. Resolute nations have built great regional navies from scratch in about fifteen years, global navies in about thirty—and China is hardly

starting from scratch, two decades into its naval enterprise. The Indian take on China's maritime prospects seems unduly upbeat.

As for me, I'd say Beijing could stage a potent force in the Indian Ocean almost overnight—if it were prepared to make the PLA Navy battle fleet an expeditionary fleet, and thus if it accepted major risk to its interests and purposes in the China seas. And, of course, such a strategy would turn on whether regional partners proved willing to host such an imposing fleet while riling up India, South Asia's natural hegemon.

The bottom line is that, if China trusted its anti-access/area-denial weaponry to fend off competitors closer to home, then it could outmatch the Indian Navy in its home region. Do the arithmetic: the PLA Navy boasts the numbers to do so.

That's a lot of ifs, though. Diverting most of the navy would leave the China seas largely unguarded by heavy forces—an unappealing prospect for Beijing. China will keep its strategic priorities straight unless something truly dire happens in the Indian Ocean, reconciling the leadership to hazards at which it would usually blanch. Those priorities lie mainly off the East Asian coast—mandating that the fleet remain close to home to defend them.

Source: [The National Interest.com](http://TheNationalInterest.com) March 8, 2016

Singapore, China To Explore Reducing Risks In Disputed South China Sea

Singapore and China have looked into some exploratory ideas on minimising the risks from unplanned encounters in the disputed South China Sea, said Singapore Foreign Affairs Minister Vivian Balakrishnan on Monday (Feb 29).

Both countries will continue to work on these ideas in the next few months, Dr Balakrishnan added, after meeting with his Chinese counterpart Wang Yi during an introductory visit to Beijing. Singapore is not a claimant state in the South China Sea,

but as the country coordinator of ASEAN-China relations, it will focus on the formulation of the Code of Conduct in the South China Sea. The code will set guidelines for parties involved in disputes to manage tensions and avoid conflict.

Following meetings with his Chinese counterpart in Beijing, Dr Balakrishnan said they have agreed to expedite negotiations on formulating the Code of Conduct. “We both reaffirmed the importance of peace and stability and freedom of navigation and overflight in the South China Sea. This is an essential lifeline for China and for all ASEAN countries because so much of our trade and energy flows through this area,” he said.

Meanwhile, Mr Wang said China’s stance on the South China Sea remains unchanged, but he added that Beijing is ready to work with ASEAN to implement the Declaration on the Conduct of Parties in the South China Sea (DOC), while expediting consultations on the Code of Conduct.

“First of all, we believe that the specific disputes should be settled by the countries directly involved through dialogue and negotiation and this has been what’s been stipulated in article 4 of the DOC,” he said. “At the same time, China and ASEAN countries, as littoral countries of the South China Sea, will continue to maintain peace, stability and that includes the freedom of navigation in the South China Sea.”

China and other ASEAN countries including Brunei, Vietnam and the Philippines have disputed territorial claims to parts of the South China Sea.

During Dr Balakrishnan's two-day visit, he also met Chinese Vice President Li Yuanchao. On Tuesday, he will meet State Councillor Yang Jiechi and Communist Party of China International Department Minister Song Tao. Dr Balakrishnan is also scheduled to meet Cyberspace Administration of China Minister Lu Wei in his capacity as Minister-in-charge of Singapore’s Smart Nation Programme Office.

Source: Malaysian Digest.com March 1, 2016.

Australian Navy says seizes huge weapons cache headed for Somalia

An Australian Navy ship has seized a huge cache of weapons near Oman's coast from a fishing vessel bound for Somalia, the navy said on Monday, exposing a possible violation of a U.N. Security Council arms embargo.

The United Nations has a decades-long arms embargo in place against Somalia, which has been mired in conflict since civil war broke out in 1991.

The Australian navy, which patrols waters around the Indian Ocean as part of an international maritime force, said it had seized nearly 2,000 AK-47 rifles, 100 rocket-propelled grenade launchers, 49 PKM machine guns, 39 PKM spare barrels and 20 mortar tubes from the fishing vessel.

"The weapons were seized under United Nations sanctions, which authorise interdiction on the high seas of illicit weapons destined for Somalia," the navy said in a statement.

In 2013, the U.N Security Council eased some of the embargo restrictions, allowing the Western-backed government in Mogadishu to buy light weapons to bolster its armed forces in the battle against Islamist al Shabaab insurgents, who are aligned with al Qaeda. One Western security source said the street value of the Australian Navy haul appeared to be more than \$2 million.

The Australian Navy did not indicate who was the intended recipient of the weapons, which were found hidden under fishing nets. As well as al Shabaab, some regional states in Somalia operate and equip their own militias without the approval of the central government.

A Somali government spokesman could not immediately comment on the Australian Navy statement. The navy said personnel from HMAS Darwin had boarded the fishing vessel about 170 nautical miles (313 km) off the coast of Oman to verify which flag it was sailing under and they determined that it was stateless.

HMAS Darwin is in the region as part of the Combined Task Force 150, responsible for counter-terrorism operations, curbing piracy and drug smuggling.

Source: [The Swiss Info](#) March 7, 2016

Game wardens deploy new homeland security measures

Texas game wardens, along with the U.S. Department of Homeland Security's Domestic Nuclear Detection Office and the United States Coast Guard, are deploying an impenetrable maritime border to stop the threat of radiological or nuclear material smuggling into U.S. waters.

Game wardens patrolling Texas' coastline will be utilizing newly-acquired advanced detection equipment that will help keep the state, its maritime ports and international borders, and the nation safe from a potential radiological or nuclear threat.

The Texas Parks and Wildlife Department (TPWD) is the state's primary maritime law enforcement agency responsible for patrolling, protecting and preserving its resources, critical infrastructure and economic vitality throughout its 4 million surface acres of coastal waters and 16 deep water ports. As such, TPWD provides an essential partnership service and critical element of layered security in the port environment by utilizing and employing diverse resources, with mandated port security responsibilities in the areas of protection, prevention, deterrence and response.

TPWD involvement in the radiological and nuclear material detection effort will support the National Maritime Security Strategy and the Department of Homeland Security Small Vessel Security Strategy.

Since January, state game wardens have been conducting land search exercises, waterborne vessel stop exercises, and dockside searches as part of an intensive training program on radiological and nuclear matter and the use of the equipment to detect and

identify these dangerous materials. This training culminated recently with a mock exercise that encompassed both land and maritime law enforcement assets working cooperatively to locate several nuclear and radiological sources. The Department of State Health Services Radiological Health Team provided all the live sources for the training.

“Through our near-shore patrol crafts, off-shore vessels, aviation assets, special operations teams, and robust intelligence contributions, Texas game wardens are on the front lines of the nation’s national security framework,” explained Texas Game Warden Assistant Commander Cody Jones, who serves as the state’s head boating law administrator. “While we focus on our core mission of conserving and protecting the state’s natural resources, enforcing game and fish laws and conducting water safety, it is imperative that we continue to deploy the tools required to keep our homeland safe from illegal activity and terroristic threats that face our nation.”

Source: [The Pasadena Citizen](#) March 14, 2016



Induction of Ten Fast Interceptor Boats – Mauritius

A safe and secure maritime environment is a prerequisite for the achievement of a Second Economic Miracle and to meet the pledges in the Vision 2030 of the Government, said the Prime Minister, Sir Anerood Jugnauth, on Saturday 12 March 2016 at Caudan Waterfront during the induction ceremony of 10 Fast Interceptor Boats.

He stressed that one of the top-most priorities of the Government is to provide resources to the Police to assist in the fight against crime while adding that with the induction of Fast Interceptor Boats, the Mauritius Police Force, through the National Coast Guard, will enhance surveillance, intelligence and presence in the maritime domain. Speaking about maritime safety and security, Sir Anerood Jugnauth recalled that the vast size and largely unregulated nature of the waterways have made the maritime environment an attractive theatre for transnational crimes.

Sea piracy, drug and human trafficking, smuggling and sea-borne terrorism have increased considerably in the last few decades. The situation has further aggravated due to global proliferation of small arms, thus adding to the maritime vulnerabilities, he said. The Prime Minister added that the 10 Fast Interceptor Boats will also be deployed for life saving search and rescue missions around the main land of Mauritius and around Rodrigues where one of these boats will be permanently stationed in the first instance. Furthermore the NCG will soon be equipped, he said, with two Waterjet Fast Patrol Vessels namely, CGS Victory and CGS Valiant which will respectively be ready by the end of this year and by next year. A brand new Dornier aircraft is also being constructed by Hindustan Aeronautics Limited and is expected to be completed by June this year.

Sir Anerood Jugnauth also underlined the unflinching and unwavering support and assistance from the Government of the Republic of India. He expressed his gratitude to the Indian Government and the Indian Navy which have been instrumental in the realisation of several projects in Mauritius.

For his part, the Managing Director of Goa Shipyard Ltd, Mr Shekhar Mital, said that the induction of the Fast Interceptor Boats is a significant milestone achieved by the NCG to discharge their responsibilities in a more effective manner. He recalled the Goa Shipyard Ltd is driven by the quest and commitment to ensure customer satisfaction. Quality construction, short delivery schedules and sensitivity towards customer needs and requirements are some of the key differentiators that have played a key role in the development of a sustained and mutually beneficial relationship with our long term clients, he added.

Fast Interceptor Boats

The Fast Interceptor Boats will add to the existing fleet of patrol vessels of the National Coast Guard for undertaking patrol in and around Mauritius. These state-of-the-art vessels in terms of capabilities, can function in a diverse manner for defence, interception of high speed vessels, coastal patrol, effective surveillance, anti-smuggling, anti-poaching activities, search, rescue and fisheries protection amongst others. The boats have a top speed of 35 knots (63 kmph) with a cruising speed of 20 knots (36 kmph), along with an endurance of over 200 Km. The Fast Interceptor Boats of a length of 14.5 metres each will be fitted with most advanced navigation and communication equipment, including weapons.

The contract between the Government of the Republic of Mauritius and Goa Shipyard Limited for the construction of the 10 Fast Interceptor Boats was signed on 4 April 2014 for a total sum of 6 millions USD under the credit line agreement between the Government of the Republic of Mauritius and the Export-Import Bank of India.

Source: [All Africa.com](http://AllAfrica.com) March 14, 2016

US Coast Guard patrolling American Samoa fishery

The United States Coast Guard Cutter Kukui is patrolling American Samoa's Exclusive Economic Zone to police fishing vessels in the territory. The Honolulu-based Kukui is boarding foreign and US vessels to check that they have the correct safety equipment, the required licenses and that they are using safe fishing methods.

Commanding Officer Brendan Harris said they would be taking on board an enforcement officer from the local Department of Marine and Wildlife Resources and an officer from the Marine Patrol Division of Public Safety.

Mr Harris said two personnel from the vessel also worked with the Marine Patrol Division last week.

"They did some law enforcement training as well as small boat training where we were really a subject matter expert exchange between agencies so that we are sharing how we do things and also getting feedback on how the local maritime forces operate as well. So we can learn from each other," said Brendan Harris.

Sources: Radionz.com March 15, 2016

3rd US warship due this year to boost PH's maritime security

-Elena L. Aben

A third Hamilton-class weather high endurance cutter (WHEC) from the United States due to arrive this year will further boost the Philippine Navy's capability to secure the country's vast maritime domains.

The US Coast Guard Cutter (USCGC) Boutwell (WHEC 719) is scheduled to be decommissioned in a ceremony to be held March 16 at Naval Base San Diego, California, USA after 48 years of service.

Boutwell is one of the two ships that US President Barack Obama promised to provide the country during the APEC 2015 summit in Manila.

The USCG said it is working with the US Department of State to transfer Boutwell to the Philippine Navy as part of a Foreign Military Sale Program through the Foreign Assistance Act.

Navy public affairs office chief Capt. Lued Lincuna, for his part, said they are expecting the delivery of the ship this year.

“It will be an additional asset for the PN and will be a big boost to our capabilities once it enters our inventory,” he added.

It will be recalled that Obama announced the transfer of two ships to the Philippine Navy after touring the BRP Gregorio del Pilar – also a former USCG cutter transferred through the Office of International Acquisition’s Excess Defense Articles (EDA) program – in Manila last Nov. 17.

The two ships referred to by Obama are the 378-foot USCGC Boutwell and the research vessel Melville, a former U.S. Navy vessel. “We have a treaty obligation, an iron-clad commitment to the defense of our ally, the Philippines. You can count on the United States,” Obama said.

Boutwell is expected to bolster the Philippine Navy’s long-endurance patrol capability, while Melville will help in charting the country’s territorial waters. Boutwell will be the third USCG cutter to be acquired by the Philippines, the first two being the BRP Del Pilar (PF-15) formerly the USCGC Hamilton; and the BRP Alcaraz (PF-16), formerly the USCGC Dallas.

Source: [Manila Bulletin](#) March 14, 2016

South Sea Fleet: Emerging Lynchpin Of China's Naval Power Projection In The Indo-Pacific.

-Gurpreet S Khurana

In December 2015, China commissioned Hefei (174) – the third Type 052D guided-missile destroyer into its navy. The warship represents the most advanced surface combatant ever operated by the PLA Navy, comparable to the best in the world. It is armed with potent long-range missiles like the HHQ-9 (anti-air), the YJ-18 (anti-ship), and the CJ-10 (land-attack). This seems incredible considering that until barely a decade ago, China's navy did not even possess a credible fleet air defence missile system, let alone a land-attack capability.

Notably, all three Type 052D destroyers are based in PLA Navy's South Sea Fleet (SSF). This is among the latest indicators of the growing salience and strength of this fleet. The SSF is fast becoming the 'sword arm' of the PLA Navy. It is rapidly amassing distant power-projection capabilities with major geopolitical and security ramifications not only for the China's immediate maritime neighbours in the South China Sea (SCS), but also for the littorals of the Indian Ocean region (IOR). This essay attempts to discern the trends since the rise of China's naval power in recent decades, and the implications for the Indo-Pacific region.

Circa 1995-2005: Focus on ESF

Until the 1980s, the PLA Navy was merely a 'brown-water' coastal force. Beginning in the mid-1990s, China's naval power witnessed a quantum jump with the acquisition of the Russian Kilo-class submarines and Sovremenny-class destroyers. The Kilos were considered to be the quietest submarines in the world, whereas the Sovremennys were armed with the lethal S-22 Moskit anti-ship missile – dubbed 'aircraft-carrier killer'.

All four Sovremennys and eight Kilos were added to the East Sea Fleet (ESF). At this time, China's strategic focus was directed towards its eastern seaboard, primarily to prepare for any adverse contingency involving Taiwan (in light of the 1995-1996 Taiwan

Strait crisis). In 1999, China began the indigenous development of its Song-class conventional submarines. The first of these new-generation boats commissioned between 2001 and 2004 were also inducted into the ESF.

Circa 2005-2010: Focus on the South Sea Fleet

About a decade after the Taiwan Strait crisis, China's strategic focus began to shift from Taiwan to its maritime-territorial claims in the South China Sea (SCS). The reason for the shift is unclear. It could be attributed to Beijing's successful 'Taiwan policy' that led to a reduced probability of a military conflict across the Taiwan Strait. It is also possible that Beijing had always considered the SCS as its priority, but was 'biding its time' due to various geopolitical and capability constraints. All the same, China's intent became apparent through the increasing 'capabilities' being allocated to the SSF, such as those enumerated below.

2004-05: SSF inducts two each of Type 052B and 052C destroyers, the first-ever world-class indigenous warship designs.

2005: China begins refurbishing the erstwhile Soviet aircraft carrier Varyag for power-projection in the SCS (that later joined SSF as Liaoning).

2006-07: SSF inducts four additional Kilo-class submarines procured from Russia.

End-2007: SSF inducts the first Type 071 Yuzhao-class Landing Platform Dock (LPD), which provided China a distant sealift capability

Mid-2008: Satellite-based reports carried pictures of China's new Yalong Bay base in southern Hainan, indicating entrances to the underground submarine pens and a Jin-class (Type 094) new-generation nuclear ballistic missile submarine (SSBN).

2007-08: Extension of Woody Island airstrip (Paracels) to 8,100 feet. The airstrip was now capable of operating heavier aircraft like bombers, transports and aerial-refuellers.

Most of these developments were analysed in 2008-2009 by this author and a few other analysts like James Bussert. However, these writings received little attention. Interestingly, China's 'intentions' became clearer within a couple of years when Beijing declared in 2010 that the SCS was its "core interest" of sovereignty. Two years later, in 2012, China upgraded Sansha City on Woody Island from county-level to a prefecture-city level to facilitate the administration of all the island groups in SCS claimed by China. It also established a military command in Sansha City under Hainan provincial sub-command within the Guangzhou Military Command. While these were largely 'administrative' and 'defensive' policy measures, these reinforced China intent with regard to its "core interest" of sovereignty.

Recent Developments: Reinforced Focus on SSF

Recent developments clearly indicate that China has persevered with its southward-oriented military-strategic intent. The latest of these is China's January 2016 redeployment of its Haiyang Shiyou 981 (HD-981) oil rig in disputed waters with Vietnam, which created a major diplomatic rift between the two countries in mid-2014. A CSIS report released in January 2016 notes an "accelerated...frequency of its (China's) coercive activities and pace of its island-building in the... South China Sea." The report adds that "the PLA in the near future will be operating well beyond the First Island Chain and into the Indian Ocean." If such predictions are substantive, what precisely may be among the enabling capabilities?

Aircraft Carrier Task Force

In 2012, Varyag was commissioned as Liaoning, and soon after sea-trials, it was based in the SSF. China is building an indigenous carrier, which is also likely to be based in the SSF for patrols in the disputed South China Sea. These carriers have potent escort combatants. In addition to the Type 052D destroyers, most of the PLA Navy's latest Jiangkai II class frigates are also based in the SSF. The carrier(s) – along with these escorts – would provide versatility to the SSF to conduct missions in the IOR and SCS

across the spectrum of conflict, ranging from humanitarian missions and counter-piracy to flag-showing, and supporting maritime expeditionary operations to military coercion. Notably, both Jiangkai II frigates – Liuzhou (573) and Sanya (574) – that participated in India’s International Fleet Review-2016 (IFR-16) at Visakhapatnam in early-February 2016 are based at SSF. The two ships – part of PLA Navy’s 21st anti-piracy task force – made a ‘goodwill’ port call at Chittagong and conducted combined naval exercises with the Bangladesh Navy, before participating in IFR-16. In the coming years, the availability of the carrier in its task force will provide the PLA Navy more operational options, enabling it to undertake other types of missions in the IOR as well.

‘Unsinkable’ Aircraft Carriers in the SCS

China is likely to continue upgrading its airfields in the Paracels and Spratlys. On Woody Island, satellite imagery revealed that since 2007-08, China has added a wide array of aviation infrastructure to the main airstrip, including aircraft hangers, air traffic control buildings and radars, fuel depots, crew accommodation, and berthing facilities for larger warships. This would provide a force-multiplier effect to the PLA Navy’s carrier operations, enabling China to effectively exercise sea control and power-projection in the SCS. It would also enable China to enforce an ADIZ over the SCS, if Beijing were to promulgate it.

New-Generation Submarines

In mid-2015, the PLA Navy commissioned three modified Shang-class SSNs (Type 093A/ 093G). Like Type 052D destroyers, these are likely to be armed with the vertical-launch YJ-18 anti-ship and CJ-10 land-attack missiles. In a few years, China is likely to develop the advanced Jin-class (Type 096) SSBN, which could provide China a more credible nuclear deterrence and first strike capability. Although Yalong Bay (Hainan) may be home base for these nuclear-propelled platforms, their virtually unlimited endurance will enable the PLA Navy to project submarine-based maritime power eastwards far beyond the second island chain, and westwards into the IOR.

China's latest conventional submarines, the Song-class and the Yuan-class with Air Independent Propulsion (AIP), are also based at Yalong Bay. Notably, all submarines that the PLA Navy has deployed so far in the IOR are based in the SSF. These include the Song-329 that docked in Colombo in September-October 2014 and the Yuan 335 that spent a week in Karachi harbour in May 2015.

Expeditionary Forces

In 2011-12, two more Type 071 LPDs (Jinggang Shan and Changbai Shan) joined the first LPD (Kunlun Shan) in the SSF. In mid-2015, the SSF inducted the PLA Navy's first Landing Platform (MLP). Based on the novel submersible roll-on/ roll-off (RO-RO) design developed by the United States, MLPs would be able to transport PLA Navy's heavy Zubr-class air-cushion landing craft to distant littorals.

This enhanced distant sealift capacity would not only enable the SSF to undertake humanitarian missions in the SCS and the IOR, but also provide the fleet a nascent expeditionary capability. Interestingly, the 15,000-men Chinese Marines – who have traditionally trained for amphibious assaults – have lately begun to exercise in continental locales of Mongolia and Xinjiang, which is a pointer to China's intention to be involved in out-of-area expeditionary missions.

The PLA Navy is also developing 'longer legs' through the introduction of high-endurance logistic vessels meant to provide underway replenishment (UNREP) to its principal warships far away from Chinese home bases. Since 2005, it has commissioned six advanced Type 903A (Fuchi-class) UNREP vessel with a full-load displacement of 23,000 tons. Although these are equally divided among the three PLA Navy fleets, the sequence of allocation and other developments indicate a focus on the SSF. In 2015, China launched a new rather massive 45,000 tons logistic vessel of the Qinghaihu-class, which is likely to be allocated to the SSF.

Conclusions

In tandem with China's overall power, the capabilities of the PLA Navy's SSF is expected to continue to grow in the coming decades, notwithstanding transient 'hiccups' in its economic growth. However, China's geographically expanding economic interests into the IOR and beyond will soon overstretch its resources. Ostensibly, Beijing is well aware of this prognosis, and adopting necessary measures as part of a comprehensive long-term strategy.

Among the two overwhelming imperatives for China is to shape a benign environment in its north-eastern maritime periphery. Towards this end, in March 2013, Beijing amalgamated its various maritime agencies to form the unified Coast Guard under the State Oceanic Administration. Reportedly, China has also been trying hard to resolve its maritime boundary dispute with South Korea.

The second imperative is to sustain its naval forces in distant waters of the IOR. Towards this end, China is developing military facilities in the IOR, dovetailed with its increasing hardware sales to the regional countries. Through its 'Maritime Silk Road' (MSR) initiative (2013), China seems to have effectively blunted the theory of 'String of Pearls' (2005). Djibouti may be only the beginning. Similar facilities – supplemented by PLA Navy's long-legged and 'sea-based' assets based in the SSF – would enhance China's military-strategic and operational options manifold. Such emerging developments – and their extrapolations – need to be factored by the national security establishments of the Indo-Pacific countries

Source: [Centre for International Maritime Security](#) March 8, 2016



Maritime industry says the Australian shipping sector will disappear without legislative and taxation changes

-Babs McHugh

The peak body representing shipping businesses is warning the sector will disappear without action from governments, unions and business. The Maritime Industry Australia Limited, formerly the Australian Shipowners Association, says discussions and public debate about the sector tend to be focused almost exclusively on issues of industrial relations.

But CEO Teresa Lloyd said the debate needed to be framed around the level of Australian content the country expected from maritime services.

"Within the coastal trading sector [exclusively around the Australian coast line] it's become increasingly difficult to compete with foreign ships that have almost unfettered access to foreign trade," she said.

"Then in international trade, it's always been very difficult for an Australian-based operator, simply because foreign operators are provided with all kinds of incentives in their home countries." Ms Lloyd said although it was a vital transport sector, shipping was treated differently to other forms of freight movement. What we're asking is for the taxation system to be reformed. Teresa Lloyd, CEO, Maritime Industry Australia Ltd.

"Australia has a very strict cabotage regime for aviation where foreign companies can't just come here and operate on domestic routes," she said.

"But they have a very liberal approach to cabotage for the maritime sector." Ms Lloyd said cabotage was "a preference or a reservation for domestic activity for domestic operators".

Such systems exist in many countries, an example being the USA, where it requires all goods transported by water be by US constructed and US flagged vessels.

Proposed changes to coastal shipping legislation shot down in Senate. The former federal Labor government changed maritime legislation, which is said would protect the coastal shipping sector. Now in opposition, infrastructure spokesman Anthony Albanese said the existing legislation was in serious need of updating.

How can Australian flagged ships compete against foreign flagged ships?

Anthony Albanese, Opposition infrastructure spokesman "We changed the navigation act of 1912 into the Revitalising Australian Shipping Legislation of 2012," he said.

"We didn't go down the fully protectionist route such as countries like the United States but we looked at how can Australian flagged ships compete against foreign flagged ships? "We had changes to things like the taxation arrangements [for foreign operators], both for shipping companies and for Australian seafarers.

"No other country, no major OECD country, has a free-for-all around its coast, just let vessels come in and have foreign flagged vessels, crewed by foreign seafarers being paid foreign wages."That's what was proposed by the Coalition when it came into power and tried to roll back that legislation, but it was not passed by the Senate.

"I've raised the issue with the new Minister for Infrastructure, Darren Chester, to see if he plans to change what is a short-sighted approach." Government prepared to look at changes to maritime legislation Mr Chester, as the new minister, inherited his predecessor Warren Truss' attempted changes to maritime legislation.

"I think the attempts by the former minister to streamline the permit system and reduce the bureaucratic red tape that came from a three-tiered licensing system was a good approach," he said. "But it was rejected by the parliament, and now we need to consider other options.

"Other discussions I've been having with representatives of various aspects of the industry in regards to the training pipeline and the need for us to make sure we have the skills available in Australia to meet future [maritime industry] needs." Maritime industry says genuine economic benefits of strong shipping ignored.

Ms Lloyd agreed that future training was one of the extremely important aspects of the industry's future. She said these issues were canvassed in a report that MAI commissioned by consultants PWC but the results were virtually ignored by both sides of politics.

"That research found amongst other things that if we were a nation that supported our own maritime industry, we would increase our GDP by \$25 billion," Ms Lloyd said.

"We would increase employment to over 55,000 as well as add more than \$2 billion to direct tax revenue." And it could all happen without any kind of handouts to the industry, we're not asking [the government] to give us any money.

"What we're asking is for the taxation system to be reformed to allow companies to set up business here and actually add to the tax take.

"What we need are people to run our ports and to make sure that as an island nation we can actually function. "Without that maritime skill-set, as a country that enters into contractual arrangements with overseas cargo buyers, if we have no know-how left in Australia, we're going to get done over every single time when it comes to entering into those contracts."

Source: [The Rural March](#) 15, 2016

Belgium to invest in three strategic sectors in Indonesia

-Ayomi Amindoni

On its fifth economic mission to Indonesia, Belgium is keen on helping Indonesia develop its renewable energy, maritime and tourist sectors, says an Indonesian top investment official.

Investment Coordinating Board (BKPM) head Franky Sibarani said with regard to renewable energy, Belgium was interested in investing in the development of wind energy, while in the maritime sector it wanted to invest in the shipping industry and fisheries.

In tourism, the Belgian business community would like to develop hotels in Indonesia's main tourist destinations, he said. The BKPM said Belgium was the fifth-largest investor in Indonesia among EU members.

"The BKPM recorded US\$ 132 million in investment between 2010 and 2015, not including in the upstream oil and gas and financial sectors," said Franky after an inaugural event of the Belgium-Indonesia technology partnership in Jakarta on Monday.

Belgian investors, he added, had been supporting industrialization in Indonesia, as well as the transfer of knowledge and technology from generating power to producing chocolate. "We have also learned how to create jobs, especially at plantations, hotel and restaurants," Franky added.

Princess Astrid of Belgium, as a representative of her brother, King Philip, heads the fifth economic mission to Indonesia from March 12 to March 19, aimed at strengthening economic cooperation between the two countries.

During the visit, Franky said, Astrid hoped the Indonesian government would guide Belgian investors in the investment process and facilitate in terms of fiscal incentives.

"There are several investors in clean energy that want to be facilitated because they are very serious about investing in Indonesia and they want to understand the regulations," he mentioned.

Indonesia Benelux Chamber of Commerce (INA) director Elmar Bouma said Belgians were often reluctant to do business in Indonesia due to the economic climate, especially for small and medium enterprises (SMEs).

"What they asked for is a stable legal framework to maintain their business in the country," Bouma said.

Belgium is the sixth-largest importer of Indonesian commodities in the EU. In 2014, Belgian exports to Indonesia included chemical products, machinery, equipment and animal products.

According to Belgian Ambassador to Indonesia Patrick Herman, the economic mission comprises 301 participants from 127 Belgian companies and four trade promotion bodies. "This is the largest Belgian mission to Indonesia in decades," he said.

During the economic mission, Belgian companies and authorities will sign 25 contracts with their Indonesian counterparts.

Source: [Jakarta Post](#) March 14, 2016

Restructuring in Full Swing to Save Beleaguered Shipping, Shipbuilding Companies

Korean shipping and shipbuilding companies, which have been struggling in their slumps, are set to secure liquidity and downsize to get their management back on track. According to the shipping industry on March 13, Hanjin Shipping will announce their self-help measures in March. This year, the company will see its borrowings of 1.5

trillion won including those from banks, corporate bonds and ship finance reach their maturity this year. Out of the amount, the shipping company has to secure 800 billion won on its own.

To do that, Hanjin Shipping asked Samil Samil PriceWaterhouseCoopers for consulting even at the beginning of this year. In addition, the company is allegedly planning to turn in its self-help plan to the Korea Development Bank. The plan will call for securing an additional 500 billion won for five years (100 billion won per year) by selling off its building in London including its Hanjin trademark and Gwangyang Terminal and pruning cost such as shutting down old ships and slashing labor cost. With the addition of its issuance of perpetual bonds acquired by Korean Air, the size of additional self-help plan is estimated at 1.2 trillion won.

Hanjin Shipping raised 2.35 trillion won by selling off its bulk ship business among others in 2013. But the shipping company has been failing to break free from its liquidity crisis. Its debt ratio swelled to 840 percent of the end of last year. But the issuance of perpetual bonds lowered the ratio to 640 percent.

Hyundai Merchant Marine (HMM) for which Hyundai Group chairwoman Hyun Jung-eun took money out of her pocket has been doing everything in its power to reach better ship lease terms with five foreign ship owners. Creditors said that they will be able to allow a capital decrease and a debt-for-equity swap only if HMM's ship lease fees of two trillion won a year is lowered. If realized, the debt-for-equity swap can turn 900 billion won, about the half of the shipping company's debts, into capital, reducing the current debt ratio of 1700 percent to below 400 percent.

In addition, six companies submitted letters of intent (LOIs) to take over Hyundai Securities from the Hyundai Group owning HMM. "After the main bidding on March 24, we will quickly select the preferred bidder and sold off the stock brokerage company within the end of June.

Downsizing holds the key to the survival of STX Shipbuilding in a process to becoming a specialized small and mid-sized shipbuilder. Last year, STX Shipbuilding came up with a plan to reduce the number of dockyards at Jinhae Shipyard to two from five and operate facilities to build 50,000-to 70,000 ton-class tankers and an LNG supply terminal only in consideration of competitiveness. At the same time, the plan called for transforming Goseong Shipyard into a subcontracting factory for big domestic shipbuilders in 2017. STX Shipbuilding had laid off its employees by 860 until October last year and will prune the workforce by roughly 930 this year.

Daewoo Shipbuilding & Marine Engineering (DSME) suffered the highest-ever operating loss of 5.5 trillion won last year. The company downsized its size to post about 12 trillion won in sales which can realize the best efficiency down from 16 trillion won. Its workforce will be cut off to about 30,000 from current 45,000.

Hyundai Heavy Industries has recorded losses for nine quarters in a row, fueling a rumor that HHI will sell off Hyundai Oil Bank, a blue-chip company. But the rumor was denied through a public announcement. “If market situations become friendly, we may consider listing Hyundai Oil Bank. But up to the present, nothing has been decided,” said a representative from HHI.

Hanjin Heavy Industries, which had received a bailout fund of 130 billion won last year, applied for a self-regulatory agreement earlier this year. The company has a plan to secure an additional 338 billion won by selling ships, land on Yuldo in South Jeolla Province, its building in Manila, the Philippines. Currently, due diligence is being conducted on these assets.

Source: [Business Korea](#) March 14, 2016

Hanjin and HMM Can Overcome Crises without Additional Funding: KSA

-Michael Herh

Kim Young Moo, executive vice-chairman of the Korea Shipowners' Association (KSA) says the South Korean government is not doing enough to support shipowners' liquidity during the current challenging market, but with such support the struggling Hyundai Merchant Marine (HMM) and Hanjin Shipping Co. (Hanjin Shipping) could overcome their current crises, IHS Fairplay reports.

"By securing more liquidity, Hanjin Shipping and HMM should solve their most pressing problems," said Kim.

"If the government and the policy lenders agree to extend the maturity of KRW676.6 billion (\$570 million) worth of corporate bonds that are maturing this year, and swap KRW1.2 trillion (\$1 billion) of debts for equity, Hanjin and HMM can overcome their crises without additional funding."

Kim notes such government support is not unusual, citing examples such as that given by China during the 2008 financial crisis.

By securing more liquidity, Hanjin Shipping and HMM should solve their most pressing problems.

"In order for South Korea's shipping companies to get back on their feet, it's important that the government and policy lenders clarify their position with regards to rescuing the companies," said Kim Young Moo, Executive Vice Chairman, Korea Shipowners' Association

As Ship & Bunker reported in January, the South Korean government announced a \$1.2 billion investment fund intended to provide support to the country's shipping industry,

but Kim says funding avenues such as this have proved insufficient to meet Hanjin's and HMM's financing needs.

As a result, companies are said to have looked toward the bond market to raise more funds, only to find themselves restricted by maturing bonds' high interest rates in the context of a worsening market situation.

The Export-Import Bank of Korea, one of the largest creditors for South Korea's highly leveraged shipping companies, is said to have agreed not to act against domestic shipowners who have incurred loan-to-value covenant breaches for one year, expressing hope that the country's other banks would follow suit. We're doing all we can to raise money, and KDB (Korea Development Bank) is also looking at what it can do to help indebted companies, spokesperson for Hanjin Shipping said.

A HMM spokesperson was quoted by Fairplay IHS as saying "HMM agrees" with Kim in his views," while a Hanjin Shipping spokesperson said the two companies are "struggling, and so are several others." "We're doing all we can to raise money, and KDB (Korea Development Bank) is also looking at what it can do to help indebted companies."

In November, Ship & Bunker reported that the South Korean government was downplaying claims that it was looking to force a merger between HMM and Hanjin Shipping.

Ship & Bunker reported last week that Drewry Maritime Equity Research (Drewry) says a HMM merger with compatriot Hanjin Shipping would boost their chances of survival.

Source: [Ship and Bunker.com](http://ShipandBunker.com) March 14, 2016

Global Carriers Target Alternative Cargo

David Piel, Senior Manager of Special Cargo in Europe at Hapag-Lloyd, said: “The feedback of customers is that they welcome the extra competition.

“The opening of Iran is likely to lead to a lot of investment, especially in the oil industry, while a lot of the other oil-producing countries are also investing in infrastructure to diversify their economies.

“For example, we are finding that the trade between the Far East and Middle East for special cargo has great potential.

“Our advantage is having weekly sailings and offering a global network. We are calling at all the main ports on an almost daily basis, while our feeder services are going to smaller ports and we can then tranship at hub ports.”

The container market has recently seen a big slump in demand brought about by weak global demand, an increasingly problematic situation with liners ordering ships of ever-larger capacity.

Despite a recent drop in global spot rates, the market appears to be improving, if only marginally. According to Bloomberg Business, the Baltic Dry Index is up to 388 points, compared to a recent slump of around 300.

Source: PortTechnology.com March 14, 2016

China reveals five-year plan for ship equipment industry

-Lee Hong Liang

The Chinese ministry of industry and information and technology (MIIT) has released a development blueprint for the ship equipment industry under China's 13th Five-Year Plan for 2016 to 2020.

The ship equipment industry action plan will help to support the overall shipping sector in terms of promoting transformation and upgrading, and speeding up the enhancement of equipment quality and capabilities, according to a statement released by MIIT.

By 2020, the five-year plan aims to complete ship-related R&D works, establish world-class ship design and equipment manufacturing facilities, and control over the design and production of ship engines as well as deck machineries, cabin equipment, and ship communications and navigation systems.

The action plan also seeks to strengthen core technology R&D, carry out quality branding building exercise, and promote the demonstration and application of key components.

The draft 13th Five-Year Plan, released over the weekend, includes growth targets for China's GDP, and China's pledged to support Hong Kong in furthering its status as a global financial, trading and shipping hub, among other key issues.

Source: SeatradeMaritimeNews.com March 7, 2016

Singapore bourse to boost freight derivatives with pursuit of Baltic Exchange

-Anshuman Daga

Singapore Exchange's (SGX) (SGXL.SI) bid to buy London's Baltic Exchange is aimed at burnishing its derivatives credentials among ship brokers and commodity merchants,

fitting hand in glove with its efforts to develop Asian pricing benchmarks for bulk commodities.

The bourse has struggled in recent years, losing out to Hong Kong as the main destination for large IPOs in the region and the proposed acquisition is one of several efforts by new CEO Loh Boon Chye to revive its fortunes.

Despite a deep rout in global commodities markets, the long-term market for freight derivatives and clearing holds promise, sources familiar with SGX's strategy said, adding that it is keen to increase the appeal of its Asian pricing benchmarks for commodities such as iron ore, liquefied natural gas and coking coal.

"This will give SGX deeper coverage with many large clients with whom they already deal at some level," said one of the sources.

The sources declined to be identified as they were not authorized to speak to the media on the matter. SGX declined to comment.

Singapore is the world's second-busiest container port with over 130 international shipping groups based in the city-state and the government has positioned the sector as a key industry. And despite recent economic wobbles, long-term demand for bulk materials like iron ore and coal is expected to be strong as India, Indonesia and Central Asia follow China in targeting infrastructure development.

As such, gaining control of the Baltic, which is seeking to boost membership in Asia, would be a natural step for SGX.

The Baltic is owned by around 380 shareholders, many from the shipping industry. It produces daily benchmark rates and indices used globally to trade and settle freight contracts as well as data used in freight derivatives.

"Instead of trying to be a regional or global market, just be a sector-specific market where you seem to be able to price better, rather than try and be a competitor to Hong Kong" said Kevin Scully, executive chairman of equities research firm NRA Capital.

In addition to the bid for the Baltic, SGX's Loh, who is just seven months in the job, is expanding the bourse's non-freight derivatives offerings, has launched a bond trading platform and is conducting a supervisory crackdown on errant firms. The Baltic Exchange said last month it had received a number of "exploratory approaches" after SGX confirmed it was seeking to buy the business which has been the hub of the global shipping market for centuries. Sources had previously pegged the Baltic's valuation at just below \$120 million.

The SGX is valued at \$5.9 billion. The Baltic has previously rebuffed approaches from the London Metal Exchange.

Source: [The Reuters](#) March 7, 2016

SSI Launches Roadmap to Sustainability

The Sustainable Shipping Initiative (SSI), a pioneering coalition of companies from across the global shipping industry, has launched its Roadmap, a set of key milestones and priorities which must be met in order to create a sustainable shipping industry by 2040.

The development of the Roadmap embodies the core attributes and values of SSI's membership in working together to evaluate and establish the tangible change that will be needed to create a sustainable industry.

"This is a significant achievement and point of real pride for the SSI and its members," said Alastair Fischbacher, CEO, The Sustainable Shipping Initiative.

“Our members have shown considerable commitment, as well as investing their knowledge and expertise to define a Roadmap, which truly encapsulates what needs to be delivered to create a more sustainable industry. There are many challenges ahead, but we have set a clear foundation from which to work from. I look forward to those from within the industry who are passionate about securing its future joining our existing members in working together to deliver against the Roadmap and achieving our Vision of a sustainable shipping industry.”

Developed in line with SSI’s Vision 2040 and Case for Action, the Roadmap provides a clear overview of the macro environment that a sustainable shipping industry will require by 2040. The six core areas that the shipping industry must work to implement are:

1. Proactively contributing to the responsible governance of the oceans.
2. Earning the reputation of being a trusted and responsible partner in the communities that shipping interacts with.
3. Providing healthy, safe and secure work environments, so that people want to work in shipping, where they can enjoy rewarding careers and achieve their full potential.
4. Instilling real transparency and accountability within the industry to drive performance improvements and enable better, sustainable decision making.
5. Developing financial solutions that reward sustainable performance and enable large scale uptake of innovation, technology, design and operational efficiencies.
6. Changing to a diverse range of energy sources, using resources more efficiently, and responsibly, and dramatically reducing greenhouse gases.

Within each of these areas, the Roadmap highlights the key defining factors that are central to achieving them. This includes regulation, governance, infrastructure, and emerging energy sources, as well as the critical milestones that chart a path to success by 2040.

The Roadmap is designed as a guide for the SSI and its members, and shared freely with the wider shipping industry. It is intended as a practical resource for companies and

organizations to understand their present and future challenges, as well as the steps and milestones to shape their own sustainability strategies.

The Roadmap is available online. As a live, working tool, the SSI will be actively engaging further with the industry to periodically update the Roadmap based on progress that is made, and the industry landscape changes and evolves. This will be fed back into the tool and shared with the market.

Fischbacher said: “Delivering the milestones in the Roadmap will take further commitment and desire by our members as well as the rest of the shipping industry. This is a dynamic document that will be updated and developed further with developments, and we hope that the Roadmap will be a unifying and interactive tool that will serve to drive more engagement and debate within the shipping industry. By informing, influencing and encouraging all organizations to actively change and operate in a progressive and more sustainable way the Vision 2040 can be achieved.”

Source: [The Maritime Executive.com](http://TheMaritimeExecutive.com) March 6, 2016

Indian shippers can compete with foreign vessels now

Indian shipping companies will now be able to compete with their foreign counterparts in attracting cargo.

The finance minister Arun Jaitley has excluded the voyage charter services (transportation of goods by vessel from outside India to the first customs station of landing in India) from the negative list of service tax.

Earlier, being the negative list, the shipping firms were not eligible for the Cenvat credit or refund of taxes paid in inputs, input services and capital goods.

"As a result, our freight charges were costlier compared to foreign vessels. Now we will be able to compete with them. This was our long-pending demand," said Anil Devli, CEO, Indian National Shipowners Association (INSA).

The local shipping industry is reeling under sluggish global trade and falling freight rates that have left large number of vessels, mostly bulk carriers, idle. "Earlier, we had been losing Cenvat credit to the tune of 30-45% of the total credit availed per annum. Now with this amendment, we can avail full Cenvat credit on the input goods and services. This will make us competitive vis a vis foreign owners," said Anoop Sharma, managing director, Essar Shipping Ltd.

Besides shipping, the ports sector is expected to benefit from the enhanced connectivity with Jaitley announcing upgradation of state highways to national highways.

Gautam Adani, chairman, Adani Group, said, "The focus on improved infrastructure through network of roads, rail, ports and airports will provide impetus for enhanced growth and in turn generate employment. Overall, a progressive and growth oriented budget with total adherence to fiscal deficit and enhanced resource allocation for rural, agriculture and infrastructure growth.

Abhaya Krishna Agrawal, partner, infrastructure and PPP projects, Ernst & Young ,said, "Building greenfield ports won't necessarily be the game changer. But the steps taken for ease of doing business will surely help the port development," said.

Samir Shah, partner, JBS Group of Companies, said, "There is lot of allocation for road and railway development. We can expect four-lane connectivity to all ports which would make goods transportation faster."

Source: [The Times of India](#) March 1, 2016



Defence Chiefs Vow to deepen ties to Regional Security

The chiefs of ASEAN's defence forces reached the agreement in their joint statement following their 13th informal meeting.

Their continuing cooperation, they said in the joint statement, is based on the principles of respect for sovereignty and territorial integrity, consensus-decision making, participation on the basis of a flexible, voluntary and non-binding nature, assets remaining under national command and control and at a pace comfortable to all. This would promote mutual trust, confidence and capacities in addressing regional non-traditional security challenges in an effective and timely manner.

The ASEAN defence chiefs acknowledged the complexity of non-traditional security challenges including natural and man-made disasters, climate change, transnational challenges, drug and human trafficking, cyber security, maritime security, and terrorism - all of which pose threats to regional peace, stability, security and prosperity. They said they are "reaffirming ASEAN militaries' roles, commitment and collective responsibilities in responding to these security challenges".

They also recognised the significance and values of capacity, trust and confidence building at a pace comfortable to all through dialogues, and military-to-military interaction activities to deepen defence cooperative ties between and amongst ASEAN defence establishments in order to enhance capabilities in responding to security threats in an effective and timely manner.

The defence chiefs welcomed the progress in military-to-military cooperation and its contribution to maintaining regional peace, security and stability.

They reaffirmed the need for a peaceful environment in the South China Sea for the enhancement of peace, stability, economic growth and prosperity in the region.

In this regard, they have reaffirmed the need to fully and effectively implement the 2002 Declaration of the Conduct of Parties in the South China Sea and work towards the early conclusion of the Code of Conduct in the South China Sea.

The defence chiefs also welcomed the combined exercises to be conducted in 2016 under the framework of the ASEAN Defence Ministers' Meeting-Plus Experts' Working Groups on the following: Humanitarian Assistance and Disaster Relief and Military Medicine (co-organised by Laos, Japan, Thailand and Russia); Counter Terrorism and Maritime Security (co-organised by Singapore, Australia, Brunei and New Zealand); and Peacekeeping Operations and Humanitarian Mine Action (co-organised by Cambodia, Republic of Korea, Vietnam and India).

Source: [The Nation.com](http://TheNation.com) March 15, 2016

Geopolitics today

-H Khasnobis

The modern age of geopolitics began just over a century ago. The influence of geographical factors on international relations was first highlighted by Sir Halford Mackinder in his famous paper submitted to the Royal Geographical Society in 1904. He extended the scope of geopolitical analysis to encompass the entire world; the destiny of the countries was based upon their arrangement on earth. Mackinder, however, used the term, "heartland" and not geopolitics.

Mackinder's thoughts were largely a response to the geographical ideas of Alfred Thayer Mahan. In 1890, Captain Mahan, president of the US Naval War College, published an analysis of the importance of naval power as a factor in the rise of the British Empire. Mackinder countered that view with his analysis that changes in technology, especially

the railroad revolution, had altered the balance of power between sea and land, bringing the dominant sea power to a close. In the new international global system, land power would hold the advantage. The centre of the emerging land power was the Eurasian core area which Mackinder first called the “geographical pivot of history” and later the “Heartland”. That core area was inaccessible to a sea power and therefore capable of sheltering a land power that could dominate the world from its central continental fortress. For Mackinder, eastern Europe was the gateway to the Heartland.

All geopolitical writings after Mackinder assumed that the earth was the most basic influence on state behaviour because of its permanence and unchangeable character. Some states were blessed with a rich supply of natural resources, thriving ports, arable land and temperate climate; others struggled with either too little or excessive rainfall, extreme temperatures, mountain ranges or deserts, powerful neighbours or lack of access to the sea. It was presumed that the limits set by geography would also set limits on political decision-making.

At first, geopolitical thinking did not cause much excitement among the strategic scholars of the West. But the possibility that the Nazi desire for territory or lebensraum was being influenced by this mysterious new science called geopolitik, inspired many western scholars to revisit Mackinder’s philosophy. Geopolitical theories may merely overlap with policy by coincidence rather than design, reflecting obvious policy preferences rather than geographical insight. Terrestrial geography provided a basic influence upon the behaviour of states. Geopolitics suffered from quantification and problems of prediction and hence was not suited for forecasting. It remained highly descriptive and informative.

The praxis of politics does not change from age to age. States have to contend with perpetual existential crisis that occasionally results in conflict. This is a central feature of all geopolitical analysis. Where there is no such conflict or no potential for conflict, geopolitics has little to say. International peace and stability not only contradicts the basic assumptions of geopolitical questions, but also threatens to render the tradition obsolete. Geopolitics, as practised in the 20th century, was far more relevant to states at

war or threatened by war than those at peace. Geopolitics was war-related and not peace-related.

Geography is said to have favoured the Heartland power for five key reasons. One, the Heartland was virtually impenetrable to foreign invaders; two, technological changes offered increased mobility that favoured land powers; three, the Heartland was in the central position of the world giving it shorter interior lines of transportation and communication; four, the Heartland had oil and natural resources waiting to be exploited and this could give the area the highest productivity on earth; and five, the Eurasian world, being the home to the majority of the world's land, people and resources, was the springboard for global hegemony.

None of these assumptions came to be true. If anything, at the end of the 20th century, the western hemisphere came to dominate the world and geopolitics lost its focus as an aid to statecraft. It is the technology and industrial power that has propelled humanity to overcome the constraints applied by earth. Despite more than a century of effort, it has not been conclusively proved that geography complements state behaviour. The Vietnam War is a glaring example. The geography of the country was more important in terms of the decisions of the fighting commander in the war zone than those of the policymakers in Washington. While the terrain shaped the tactics, the war would have been fought no matter what constraints South-east Asian geography placed on its conduct.

The Siachen Glacier is the world's highest battlefield with extremely inhospitable geographical terrain. But it is Indian territory and has to be defended at any cost. The Indian Army has to decide on the tactics and logistics to defend the terrain and get the soldiers acclimatized to its conditions which may be beyond human endurance. National security, sovereignty and the country's dignity cannot be compromised for reasons that the Glacier has been causing loss of valuable lives of our soldiers. The importance of geography has to be reflected on the battlefield, but not on the country's policy. For the military intervention in Iraq and Afghanistan, the USA had to move men and equipment thousands of miles by ship from North America to the Persian Gulf, from one continent

to another. The harsh geographical realities imposed by two oceans limited logistics planning. Geography imposed severe restrictions, but that did not affect military intervention. US policy did not change in spite of the harsh realities of geography.

Geopolitical rivalries have stormed back to the centre stage. Whether it is Russia's seizure of Crimea, China making aggressive and conflicting territorial claims to the South China Sea, Japan responding with an increasingly assertive strategy of its own or sectarian conflict, civil wars and political instability in the Middle East nullifying the nascent Arab Spring, the fact is that old-fashioned power rivalries are back in international relations. Many in the international community are skeptical about the effectiveness of peacekeeping with some engagements now lasting more than a decade, as in Afghanistan and Sudan.

Geopolitics is based on the assumption that geography defines limits and opportunities in international politics. States can realize their geopolitical opportunities or become victims of their geopolitical situation. One strategic objective is to exploit one's own geographical attributes and an adversary's geographical vulnerabilities. In the modern world, national strategy is influenced by a wide variety of factors like the history of the nation, the nature of the government, the ideology, religion and culture, resources, the state of economic development and military institutions. Technology has now reached a stage in which geographical barriers are no longer unassailable.

There is no reason to believe that geopolitics has returned; at the same time, it will not become obscure. Competition and conflict will continue but eventually a liberal, open and pacifist world order will prevail and the states will transcend geopolitical rivalries.

Source: [The Statesman](#) March 15, 2016

EU issues declaration on South China Sea

The EU is committed to maintaining the principles of international maritime law, as reflected in the United Nations Convention on the Law of the Sea (UNCLOS). Maritime priorities include the maintenance of maritime safety, security, and cooperation, freedom of navigation and overflight.

A public declaration on Recent Developments in the South China Sea was released yesterday by the High Representative on behalf of the 28 EU Member States.

The EU does not take a position on land, territory and maritime claims in the South China Sea. Instead, the EU urges all claimants to resolve disputes through peaceful means, to clarify the basis of their claims, and to pursue claims in accordance with international law, including UNCLOS and its arbitration procedures.

The EU is concerned about the deployment of missiles on islands in the South China Sea, according to the declaration. The deployment of military forces and equipment on disputed maritime features affects regional security, may threaten freedom of navigation and overflight, and is of major concern. The EU therefore calls on all claimants to refrain from militarisation in the region, to refrain from the use or threat of force, and to avoid unilateral actions.

The EU encourages the development of measures to build trust and security in the region. The EU fully supports regional ASEAN-led processes and looks forward to a swift conclusion of the talks on a 'Code of Conduct' which will further support rules-based regional and international order.

The EU in its declaration also reiterated its offer to share best practices on maritime security.

Source: Vietnam News.com March 14, 2016

Energy security, not independence

-Arunabha Ghosh

Between now and 2030, India's energy demand will grow faster than that of any other country in the G-20. India's share in the daily oil trade then is expected to be 12.5 per cent, up from 7.4 per cent in 2014. India will not be the biggest energy consumer; nor will it remain at the margins. Indeed, it will be a swing voter in global energy markets with strong national interest in well-functioning markets.

The Indian government is deeply concerned about the rising share of crude oil imports, from 65 per cent of oil demand in 2000, to 83 per cent in 2013-14 and to 90 per cent in 2030. Coal imports have been rising year on year, reaching over 20 per cent of demand. By 2030, imports of natural gas are likely to rise to five times the level in 2013-14.

In response, two strategies are often recommended. The first is to aspire to energy independence. This does not imply zero imports but aims to reduce rather than increase the share of imported oil, gas and coal. For instance, the government wants oil imports to fall to 67 per cent of demand by 2022 and to 50 per cent by 2030. The second strategy has been to buy acreages in oil and gas fields and in coalmines beyond India's shores. The assumption is that such overseas assets will deliver energy resources to India's shores in times of crisis.

These strategies are, however, inadequate. Even as domestic energy production rises, India will get deeply embedded into global energy markets. Moreover, the needed variety in sources of supply is not guaranteed by solely owning energy assets.

In a new book, *Energizing India*¹, my co-authors and I argue that energy security for India will not be the same as energy independence. Instead, it would mean the availability of adequate quantities of critical resources, at prices that are affordable and predictable, with minimum risk of supply disruptions, to ensure sustainability for the environment and future generations. Such security will require meeting four

imperatives: assured supply, safe passage, secure storage, and a seat at one or more international forums involved in international energy trade and governance.

While ownership of assets might have a limited role in times of crisis, it has mostly been an ineffective strategy because of low shares of overseas production (below four per cent of total oil and gas demand in 2014-15), a lack of financial resources to compete with other countries, the risks of operating in politically fragile areas, and the opportunity cost of not selling energy produced in global markets. Instead, India's diplomatic capacity has to align with its commercial interests, while the economy shifts from long-term contracts to relying on diverse sources, taking advantage of lower spot market prices and hedging via forward contracts.

India will need to ensure safe passage of overseas energy supplies. This will be, partly, a function of India's ownership of - or access to - a shipping fleet. Compared to other major energy consumers, India's share of oil and gas tankers is low. Safe passage will also require naval capabilities for India to become a net security provider in the Indian Ocean. India has been pursuing regional as well as bilateral cooperation on maritime security in the Indian Ocean, engagements that now need greater intensity. It will also need naval assets that can work with other navies in protecting energy supply routes beyond the Indian Ocean, particularly in the South China Sea, from which new supplies of energy might flow in future.

As a buffer for emergencies, India will need secure storage, infrastructure and management capability to store and transport energy resources, within and outside its territory. Strategic petroleum reserves capacity of 5.33 MMT (about 40 million barrels) has been developed at three locations, to be commissioned and filled by end-2016. Additional capacity of 12.5 MMT (93 million barrels) is due by 2020. However, storage capacity is low, relative to that in OECD countries or in China (current and planned) - and capacity alone would not suffice.

It cost \$615 million (about Rs 4,000 crore) to build storage for 13 days' worth of oil (not counting the cost of oil). Alternatively, some emergency crude oil stocks could be sited in a few other countries, as is the practice among members of the International Energy

Agency. India has drawn on the OECD's mechanism of creating oil emergency response organisations, stockholding oil, and implementing oil-stock draw-downs. But it needs a regulatory body to oversee the entire strategic petroleum reserve process; coordination among government, oil companies and the India Strategic Petroleum Reserves Limited; and replenish and maintain SPR levels once normalcy has been restored.

There is no global energy regime. So, India will need to identify the key functions that a regional or plurilateral energy institutions could perform, which would otherwise be hard to do unilaterally. These functions include assuring transparency in energy markets, cooperatively managing strategic reserves, jointly patrolling energy supply routes, arbitrating disputes, and pooling resources to lower insurance premiums on transporting resources. There will be tough choices but either way India's integration into global energy markets will be one of the key shifts in the global economy.

Source: [Business Standard](#) March 14, 2016

Australia's defense in the age of a rising China

-Ramesh Thakur

The great Scottish poet Robbie Burns craved the gift “to see ourselves as others see us.” The refrain kept going through my head as I read the Australian Defense White Paper published in February, which maps the strategic environment to 2035, identifies the threats Australia is likely to confront, and describes the steps it will take to meet these contingencies. This is the first defense paper to assess defense needs against two major trends that directly impact Australia's security: the power transition and the changing technology of warfare, including the constantly mutating threats of international terrorism and cyber-attacks.

Rich, sparsely populated and perched on the edge of Asia, Australia is dependent for security and prosperity on long and vulnerable transportation networks. Its wealth makes it an attractive target for potentially hostile countries but also permits it to build

and sustain a highly professional and capable defense force that necessarily has to be small. For decades the strategy has been framed in terms of the “air-sea gap”: If we can secure the air and sea gaps between potentially hostile forces and the Australian continent, we can prevent the enemy from attacking the homeland.

With advances in technology, attacks can be launched from over the horizon farther out, and therefore the strategic defense perimeter has to be stretched outward. This increases the importance of maritime security and Australia will invest accordingly in a substantial upgrade of surveillance, interception, interdiction and strike capabilities by air and, especially, sea in the Indo-Pacific theater. Wherever possible, it will do so in partnership with its global alliance leader, the United States, and regional states in Asia-Pacific. The potential for a security partnership between Australia, the U.S., Japan and India to defend the Indo-Pacific theater is obvious.

How China develops and evolves domestically and how it behaves internationally are the two most critical questions for its neighbors, for Asia and for the world. Unlike previous papers, the 2016 document does not ignore the accumulating flashing neon lights of assertive and belligerent provocations by China in a ring of disputes around its borders. The paper’s focus on the military rise of China and the militarization of its maritime disputes — “the unprecedented pace and scale of China’s land reclamation activities,” the construction of military-grade airfields and the installation of missiles — is laser sharp.

The kid gloves with which China’s provocations were treated previously are being armor plated. China’s strategy has been to deploy strategic patience alongside below-the-horizon creeping expansion and militarization that induces strategic fatigue in Washington, weakens regional resistance to China’s growing presence and activities, promotes gradual accommodation and finally a resigned reconciliation with China’s primacy on Beijing’s terms.

Australia’s defense white paper, by contrast, seems to bet on China backing down if the U.S. and its allies demonstrate the intent to maintain U.S. primacy, and the existing

regional order being maintained peacefully on this basis. The key strategic assumptions behind the white paper are thus questionable and the whole house of cards could come tumbling down if instead the U.S. quietly retreats and concedes primacy to China in its own region; or else tensions escalate into a war that Australia is obliged to join as a U.S. ally.

Is it wise to bet on a more robust forward deployed presence when the strategic environment is becoming tougher and Australia's relative economic and diplomatic weight is shrinking, asks Hugh White, a former deputy defense secretary. Peter Jennings, another former deputy defense secretary who led an external experts panel advising the government on the white paper, praises its vision of "taking the fight into maritime Southeast Asia." Not surprisingly, Beijing has attacked Canberra's seeming reversion to a Cold War mentality.

In the 2013 white paper, the phrase "rules-based global order" was used five times. In 2016, it is used 48 times, plus another three references to a "rules-based regional order." It is a pity that Australia does not conduct a full, frank and honest self-scrutiny on its own fidelity to global norms, rules and laws, including the sharp break between its obligations under the 1951 U.N. refugee convention and its treatment of asylum seekers. The failure to do so confirms the truth of the claim that we nurse grievances toward others because we suffer the consequences of their actions; but believe our own actions to be entirely understandable and ignore their consequences on others.

The paper asserts that "The stability of the rules-based global order is essential for Australia's security." One of the most sacrosanct rules of the existing global order is the prohibition on inter-state aggression. This was violated big time on three recent occasions: by Iraq against Kuwait in 1990, by the U.S.-U.K.-Australia coalition against Iraq in 2003, and by Russia against Ukraine in 2014. The 2003 aggression was especially egregious because it was against a country half a world away that posed no threat to anyone else's security.

Washington reserves the right to take unilateral military action at will. In 2014 President Barack Obama insisted all countries must obey international law, having previously asserted at West Point the right to use force unilaterally if necessary to defend U.S. vital interests. Even a learned and intelligent president failed to see the contradiction in his speeches just five months apart.

But others take note and China as a rising great power is poised consciously to emulate U.S. behavior of threats and actions against those who would dare cross its will. Where the U.S. has led, China will follow: on exceptionalism, forward basing, threats and unilateral use of force, intimidation, belligerent rhetoric and actions, regime change, provocations, and illegal wars of aggression. America has been a good master and China might prove an excellent pupil. This is why the path to ensuring China's compliance with a rules-based order runs through Washington.

With regard to bullying weaker neighbors into accommodating big powers' interests, Canberra's exhortations to Beijing are at odds with its treatment of East Timor regarding maritime resources, including a cavalier disrespect for lawyer-client confidentiality and the use of national intelligence services on behalf of commercial interests.

Western policy elites really do need to wake up and smell the coffee, and not just domestically a la Donald Trump and Bernie Sanders. Double standards and hypocrisy may have been possible in a different era of Western hegemony but are unsustainable as the power balance shifts. In the Internet age, the different standards are highlighted instantly. If we want China to respect rules-based regional and global orders, we had better learn to do so ourselves: no country has a god-given or self-proclaimed right to be the sole judge of both its own and everyone else's compliance with rules, norms and laws.

Source: [The Japan Times](#) March 14, 2016

Why India must heed geography

-Suhasini Haidar

In October 2006, India supported Shashi Tharoor's bid to become United Nations Secretary General. The battle for the post was closely fought, but what hurt India the most was not losing but the fact that its candidate, who is now a Congress MP, was pitted against two other South Asian leaders — Ashraf Ghani, now the President of Afghanistan, and Jayantha Dhanapala, Sri Lankan UN diplomat — neither of whom bowed out in India's favour. Worse, the Sri Lankan candidate actually endorsed South Korea's Ban Ki-moon, underlining India's regional isolation on the issue.

Ten years later, the prize is much bigger as India hopes to push for a place in the UN Security Council, in the UN's 70th year. The government has also made considerable efforts to build international consensus around the Comprehensive Convention on International Terrorism, which it would like to see progress this year.

As last week's mega international conference in Delhi, the Raisina Dialogue, showed, the lesson in 2016 remains the same as the one from 2006: it is not possible for India to be a world leader or an Asian leader without first being a South Asian leader. What's more, it is important for India to work on uniting, connecting, and sharing its prosperity with its neighbours before seeking the same from outside. "If you cannot integrate with your region, you cannot integrate with other regions," said former Foreign Secretary Shyam Saran in a keynote session at the conference.

Participants from the region were more specific. The delegate from Nepal Nischalnath Pandey said that border connectivity, despite India's promises, remains poor. What's more, border infrastructure for India's more peaceable neighbours to the north and east — Nepal, Bhutan, Bangladesh and Myanmar — is much less developed than for countries to its west. Adding to that, no Indian centre of excellence or modern city has been developed close to India's northern borders or can be accessed easily by its neighbours, and India's poorest, least developed States border these four countries. As a result, SAARC road and rail connectivity requires immediate attention, and the still-not-

developed Bangladesh-Bhutan-India-Nepal corridor compares unfavourably to the 38,400-km ASEAN Highway Network or the Singapore-Kunming Rail Link, while China's first-ever cargo train to Tehran heralds the way for a China-Afghanistan-Iran rail and road link as well.

Desiring cooperation, not competition

The second message was that India's neighbourhood desires cooperation rather than competition between India and China. Calling for a coordinated approach between India's Connect Central Asia policy and China's One Belt, One Road Initiative (OBOR), former Afghanistan President Hamid Karzai said the two countries need "positive symmetry". Why can't India see that its neighbours look to China for its economic power and not see it as a threat, asked former Sri Lankan President Chandrika Kumaratunga. These are powerful words that India can ill afford to ignore. While it is possible for the subcontinent's largest country with the greatest security interests to cavil at U.S. F-16 aircraft sales to Pakistan, Pakistan's JF-17 aircraft sales to Sri Lanka, or Chinese submarines docking in Colombo or Male port, it is much harder to stop development projects without evoking a negative response in the region. Leadership comes at a price, and until India becomes a net provider of prosperity in the region, it will be harshly judged for blocking aid pipelines. It was unfortunate that the government didn't use the conference's theme of 'Asian connectivity' to clarify what India's position on OBOR is, and how it correlates to India's plans. Worse, the ministers and Foreign Secretary did not even refer to the project directly.

More worrying is that India aspires for this leadership without an internal assessment of what it costs to project its power on the international sphere. Earlier this month, The Hindu reported on a Finance Ministry memo that seeks to curtail rather than increase visits by Ministry of External Affairs diplomats abroad. The move, along with a diktat to secretaries not to travel above four times a year without prior permission from the Prime Minister, seems absurd, if not completely out of sync, with India's ambitions. Likewise, this year's Budget proposal, that shows a significant drop in developmental

assistance to six SAARC countries, casts doubts on the seriousness of the government's 'Neighbourhood first' programme.

Finally, an unspoken but resounding message from the Raisina Dialogue was that India needs to maintain the U.S.-China balance despite its obviously friendlier relationship with Washington than with Beijing over the last few years.

As U.S. President George Washington wrote more than two centuries ago: "The Nation, which indulges towards another habitual hatred, or an habitual fondness, is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest." ("Farewell Address", September 17, 1796). These words ring true for India in this context.

It is important then that Defence Minister Manohar Parrikar himself shot down the proposal made by U.S. Pacific Command chief Admiral Harry B. Harris during the conference, when the U.S. commander called for joint Indo-U.S. patrols to secure freedom of movement in the South China Sea. India's valid concerns about China's increased aggression towards China's maritime neighbours must be balanced with India's desire to resolve land-border issues as well as cooperate on developing the entire region along with China, which despite all the issues has been India's largest trading partner since 2008.

This is a balance that India will increasingly have to engage with in its neighbourhood as well, as both the U.S. and China make increased overtures to countries of the subcontinent. Future versions of the Raisina Dialogue would do well to look for greater participation from both countries, even as India uses the event to project its power well beyond South Asia.

Source: [The Hindu](#) March 11, 2016

How Russia-Japan Energy Relations Are Reshaping Geopolitics

-Colin Chilcoat

As Russia's much discussed and increasingly dispassionate pivot ambles on from west to east and back again, its roots, distorted by western sanctions, become clearer.

Interpretations of its shifting geopolitical alignments hold merit, though in truth, and as is often the case with Russia's energy policy, an opportunistic pragmatism rules the day; and its pursuit of dependency relations, cultivation of diplomatic usefulness, and posturing as a counterpoint to western global predominance will largely continue to define its actions in 2016. In that regard, the Russo-Japanese subplot is one to follow.

Russia and Japan have a complicated history, characterized mostly by protracted and unsolved territorial disputes. According to Japan, Russia is occupying its Northern Territories – four of the southernmost islands in the Kuril or Chishima chain. For its part, Russia maintains the Soviet era occupation was lawful following the conclusion of the Second World War.

Neither side's claim is particularly solid, though Russia's will be hard to dispute. Russia has plans to spend roughly \$1.2 billion on development in the chain, with much of that earmarked for military garrisons and support infrastructure due later this year.

Economically, the islands are no small prize. The Kurils are estimated to hold approximately 1,867 tons of gold, 9,284 tons of silver, several million tons of both titanium and iron ore, an abundance of rare earth minerals, prolific forest resources and extremely productive ocean waters, not to mention eye-catching oil and gas potential. Its ice-free straits with access to the Pacific are harder to value, though their strategic worth is clear. Still, for Russia, a more cooperative relationship with Japan may prove more valuable.

Amid the defensive tightening and backdrop of continued G87 drama, of which Japan is a party, relations have remained comparatively hopeful. Trade between Moscow and

Tokyo has quadrupled since 2006 with notable cooperation in automotive and construction industries. Of course, energy is still the leading and more natural draw for both parties.

At the end of 2014, Japan led all Asian nations with more than \$14 billion in direct investment in the Russian economy – its investments in the oil and gas sector alone more than tripled China's total contributions. Further, Japanese Prime Minister Shinzo Abe has set a national target to meet more than 40 percent of the country's oil and gas demand in 2030 with Japanese firms' equity output. Deeper ties are not simply a matter of if, but when and where. The current market turmoil has created a once in a generation opportunity for savvy energy investors.

Whilst the mainstream media prints scare stories of oil prices falling through the floor smart investors are setting up their next winning oil plays.

Russia's Yamal peninsula – and soon – is a start. After several years, and a few misses, Japan is reportedly still interested in pairing with Russia's Novatek on its Yamal LNG development. The mega project, which will deliver liquefied natural gas to Asia via the Northern Sea Route, is in a financially tight spot; a Russian desire to moderate Chinese dependency will likely create some interesting avenues for the likes of Mitsui and Mitsubishi.

The vast, underdeveloped regions in Eastern Siberia are a logical, albeit more risky follow-up. Equity stake issues recently nixed a partnership between Japan's JOGMEC and Gazprom Neft on the latter's hefty Chonsky oil and gas project, but economic realities may force the Russian company, and broader government, to reconsider its boundaries – Russia is apparently open to doing just that on a strategically significant scale in the near-term.

Elsewhere, from Yamal, to Tatarstan, to Yakutia doors are opening for Japanese investors, and opening wide.

With the carrot of a potential territorial resolution in hand – and with Tokyo seemingly willing to splinter the U.S. strategy of isolation – Russia is operating from a relative position of strength. Yes, Moscow’s ability to dictate terms remains limited, but a place at the table and foot in the back door will do.

Source: Oil Price.com March 10, 2016

Help to combat our ocean pollution

The Pacific Ocean has an island of garbage that’s twice the size of Texas. Eighty percent of the pollution in our oceans comes from land-based sources. And all that filth and trash in the water is adversely affecting many sea creatures and underwater vegetation. But it’s also affecting us. A lot of the food we eat comes from the ocean. If we keep polluting it, it’s going to grow more toxic and harm us.

Plastic waste causes the death of more than a million seabirds every year, and more than 100,000 marine mammals. More than 220 million tons of plastic is produced each year and a lot of it makes its way into the ocean, putting the lives of many species at risk.

Our environment adapts and adjusts to such effects, but eventually those adjustments are going to come back and make humans extinct.

There are many ways to get involved in helping clean up our beaches and oceans. Many organizations dedicate time to that effort and could use more volunteer help.

Those who don’t have time to volunteer can still help by using fewer plastic products, reducing their energy consumption and/or supporting local wildlife protection groups.

Source: The Register-Guard March 9, 2016

Indian Navy chief to visit UK, maritime ties to get fillip

Indian Navy chief Admiral RK Dhowan is visiting UK from March 7 to March 10, 2016 to give a fillip to bilateral maritime ties as well as explore new avenues of cooperation.

During the visit, Admiral Dhowan is to hold talks with UK Secretary of State for Defence Michael Fallon, the Chief of Defence Staff and other senior officers of the Royal Navy, according to an official statement.

The Indian Navy has had traditional links with the Royal Navy.

With constitution of the Indo-UK Defence Consultative Group (DCG) and the Military Sub Group (MSG) in 1995, a two-tier system of cooperation was established to ensure progress in several areas of defence cooperation.

In September 2004, the two countries inked a pact to embark upon a strategic partnership in which defence cooperation figured prominently. A Navy-to-Navy Staff Talks' forum, officially referred to as Executive Steering Group (ESG), was set up to enhance cooperation.

Indian Navy and Royal Navy are partners in the Indian Ocean Naval Symposium (IONS). The holding of the Exercise 'KONKAN 15' from September 5-11, 2015 at Plymouth off the UK coast was continuation of a long-standing series of exercises between the two navies. The two navies also interact on a host of issues like training, doctrinal concepts, Maritime Domain Awareness (MDA) etc, said the official statement.

Source: [The Statesman](#) March 7, 2016

ASECNA selects Indra to deploy ADS-B network across Africa and the Indian Ocean

Indra has been appointed to install an Automatic Dependent Surveillance - Broadcast (ADS-B) network across 17 African countries and a range of French departments in the Indian Ocean region.

The consulting and technology company was chosen by the Agency for Aerial Navigation Safety in Africa and Madagascar (ASECNA) to monitor the airspace in these regions.

The new network will allow ASECNA air traffic controllers to spot arriving or en route aircraft.

Indra's ADS-B surveillance stations will be installed in African Republic, Benin, Burkina Faso, Central Cameroon, Comoros, Congo, Chad, Equatorial Guinea, Gabon, Guinea Bissau, Ivory Coast, Madagascar, Mauritania, Mali, Niger, Senegal and Togo, as well as the French departments.

The company will also implement central ADS-B servers and data-merging facilities for improved visualisation at the 17 ASECNA centres.

Under the terms of the deal, Indra will provide a complete training programme to ASECNA technicians, and deploy ADS-B systems at airports and remote stations.

ASECNA will share data generated by the ADS-B systems with control centres through its own communications network, and control and manage the status of the ADS-B stations.

Indra has developed its air surveillance systems based on the demands of the SESAR research and development (R&D) programme.

The company won a contract from Papua New Guinea's Navigation Service Corporation to deliver a secondary radar network, and modernise the region's HF communications system.

Last week, Indra received two more contracts that included the deployment of one of its primary radars in South Korea and a radar station at Pudong International Airport in Shanghai.

Source: [Airport Technology.com](http://AirportTechnology.com) March 14, 2016

HANSA HEAVY LIFT deploys unit for underwater power plant in Australia

HANSA HEAVY LIFT has delivered a BioPower Systems (BPS) pilot unit and retrieval rig weighing a total of 698 metric tons, picking up the components in Vũng Tàu, Vietnam and transporting them to Portland, Australia. Once at the Port of Portland, the retrieval rig was discharged from HHL Freemantle to the water and the vessel proceeded to the site off Port Fairy to carry out installation work for the wave energy plant.

The ship's two cranes, capable of lifting a combined 1,400 metric tons, were used to lower the unit onto the seabed where it will convert wave energy into electricity. Divers monitored the installation process to ensure the unit was placed down safely and accurately.

“This was a very delicate operation which required exceptional seamanship and engineering expertise,” said Ian Broad, Director Cargo Management, HANSA HEAVY LIFT.

“The positioning of the ship was crucial to ensure accurate heading alignment. The unit had to be lowered through the splash zone at an angle of 15 degrees in order to reduce dynamic effects from the waves before lowering it to the seabed.

“To protect the Australian environment, a rigorous process of pollution control was carried out, to ensure all equipment, including shackles, grommets, crane hooks/blocks, and heave-compensators, were treated with environmentally safe lubrication.” The bioWAVE device, which was inspired by undersea plants, is a 26m tall oscillating structure designed to sway back-and-forth beneath the ocean swell through an arc of up to 40 degrees.

This oscillating motion activates opposing hydraulic cylinders containing the pressurized hydraulic fluid, which spins a 250kW generator to produce electricity. The electricity is then fed into the grid via an undersea cable. HANSA HEAVY LIFT engineers used remote controlled hydraulic shackles for underwater unhooking as well as heave-compensators to reduce dynamic forces on the cranes. Due to the rigging arrangements with the heave-compensators the lifting height was limited. Six winches were needed to control the unit’s swaying.

“Our in-house engineering expertise and state-of-the-art equipment means we are ideally placed to support offshore customers with this type of sophisticated installation,” said Joerg Roehl, Chief Commercial Officer, HANSA HEAVY LIFT.

“As we strengthen our focus in the offshore industry, with a particular focus on transportation and installation (T&I) in the subsea oil and gas market as well as the offshore windfarm sector, we expect to undertake more of these highly technical installations.”

HANSA HEAVY LIFT recently appointed Mark Preece as its new Senior Advisor to help the company grow its presence in the global offshore industry.

The shipping line has a young and modern fleet of 19 multi-purpose vessels, and operates a regional structure that allows the company to respond to customers’ demands in real time, anywhere on the globe.

Source: [American Journal Of Transportation](#) March 9, 2015