



# MAKING WAVES

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### **African Union adopts charter on Maritime Security**

Lomé, Togo, 15 October 2016: African Heads of State and Government have adopted and signed the African Charter on Maritime Security, Safety and Development on Saturday, 15 October 2016 at the Extraordinary Summit of Heads of State and Government. The adoption of the Charter followed recommendations for its adoption made by the Permanent Representatives Committee (PRC) and the Executive Council Sessions, which were held from 11-14 October 2016. The African Charter on Maritime Security, Safety and Development aims to solidify Africa's commitment to an efficient and effective management of its oceans, seas and waterways so as to ensure sustainable, equitable and beneficial exploration of these critical resources. The Assembly urged Member States to ratify the Charter in accordance with their relevant national procedures, and begin its implementation.

In his remarks, H.E. Idriss Deby Itno, President of the Republic of Chad and Chairperson of the Union, highlighted that the African Charter on Maritime Security, Safety and Development aligns itself with the Continent's desire to adopt a concrete plan of action, that when implemented, would operationalize prior engagements and strategies to which Member States have subscribed. It is in its conception a cooperative instrument that will integrate into and complement existing frameworks. (The full speech of the President is available on [www.au.int](http://www.au.int)). Host President, H.E. Faure Gnassingbe of Togo, underscored the fact that the Charter is a legally binding instrument that will facilitate the consolidation of efforts in combating maritime security threats and promote trade, the sustainable exploitation of our marine resources as well as to provide an opportunity for wealth and job creation. (The full speech of the President is available on [www.au.int](http://www.au.int)).

The Chairperson of the AU Commission, H.E. Dr. Nkosazana Dlamini Zuma, assured Member States that the Commission would organize the relevant consultations to complete the developmental aspects of the blue economy. She said these issues would

also incorporate observations and proposals from continental associations of shipping owners, women in maritime, administrators and port operators.

Dr. Dlamini Zuma urged the leaders to find ways to strengthen the participation of women and young people in the industry, given “trillions worth of dollars in goods and services and millions of jobs in the sector. The Chairperson took the opportunity to extend congratulatory messages from the Women in Maritime Africa (WIMA) to the President of Guinea who has recently appointed a woman Director General and Deputy Director General to run the port of Guinea Conakry, and expressed her wish that many more countries could do the same. Concluding her inputs, she said there will be processes that would further elaborate on the developmental aspects of the Charter. (The full speech of the President is available on [www.au.int](http://www.au.int)).

Source: [www.au.int](http://www.au.int), 15 October 2016

### **Maritime Security threats in Southeast Asia: Analysis**

-Bernard Miranda

Being a small island-nation with busy and congested waterways, Singapore faces significant maritime security challenges, in particular maritime terrorism which is a common threat also faced by neighbouring states. Hence information sharing, international and inter-agency collaboration constitute the way ahead for a collective solution against such challenges. The arrest of six militants in neighbouring Batam, Indonesia reminded Singapore of the asymmetric and unconventional threat it can face from the region. While the plausibility of the threat of a rocket attack from Batam Island continues to be analysed, one should also look at other modalities that the militants could have used to overcome range and accuracy factors, for example bringing the weapon closer by means of vessels at sea.

Other threats like “floating bomb” by hijacked sensitive vessels or explosive-laden small boats intent on ramming high-value targets, remain concerns. The recent missiles purportedly fired by Houthi rebels at the USS Mason and USS Ponce from the



Yemeni coast is another example of how non-professionally trained fighting forces can attempt to wreak havoc.

### *Information Sharing and International Collaboration*

Information sharing and international collaboration has been established over the years to deal with varied maritime security threats. Such mechanisms like the Proliferation Security Initiative (PSI) bring countries together to collaborate against a common threat. At the national level the Singapore Government established the National Maritime Security System in 2011 to provide the dual focus of a Single Concept of Operation and a Unified Command to prepare, prevent and respond to maritime terrorism. The Singapore Maritime Crisis Centre (SMCC) together with enforcement agencies is highly vigilant, prepared and responsive.

Singapore's Home Affairs Minister stated, after the arrest of the six militants, that Singapore was aware of their activities and noted the country's security agencies and their Indonesian counterparts had coordinated to closely monitor and apprehend the perpetrators. Such information sharing and collaboration results from years of commitment and effort, including linkages established amongst navies and law enforcement agencies especially in the maritime domain. An organisation such as the Information Fusion Centre (IFC) at the Changi Command and Control Centre (CC2C) has grown in effectiveness and stature as a model for regional naval cooperation.

Focussing on all areas of maritime security as its core business, the IFC has established a strong liaison officer presence and effective networked systems, data base and sense-making tool for data analysis. There is also the secure information sharing system for Western Pacific Naval Symposium (WPNS) member navies and the Malacca Strait Patrol-Information sharing system for real-time information exchange between Indonesia, Malaysia, Singapore and Thailand. The network connectivity and usefulness of these systems will be further enhanced with planned new data architecture and mobile capability.

In late September, this year, the Republic of Singapore Navy Hosted Exercise Deep Sabre. This exercise was the latest in a series of PSI multi-national exercises that brings countries together to collaborate against a common threat. This exercise featured 800 participants from 21 countries in building capacity against a ship simulating as a

Weapons of Mass Destruction (WMD) carrier. Such exercises, by sheer size and complexity exhibits the collective will to deter would-be perpetrators and enhance collaboration. Regional players must continue to build on established linkages and continue to support their presence through liaison officers' attachments and participation in collaborative exercises.

### *SMCC – Inter-Agency Collaboration*

The core team in both entities that form the SMCC – the Operations and Sense-making Groups – achieved Initial Operational Capability during Exercise Northstar VIII in 2011. Building on this, the core team then achieved Full Operational Capability in Exercise Highcrest 2013 by demonstrating its ability to work with counterpart land agencies in handling multiple threats both on land and sea.

The achievements in a relatively short time were no mean feat. The capabilities were attained through: 1) team forming and building to overcome inter-agency stovepipes; 2) commitment from agencies to fund and staff the posts from five different agencies the Navy, Police, Immigration and Checkpoints Authority, Customs and the Maritime and Port Authority; 3) establishment of the Crisis Command Centre at the CC2C and its sense-making and operations systems; 4) unifying management and leadership; 5) having a national-level training and exercises framework that validates capabilities and renews inter-agency commitment with the Whole-of-Government approach; and 6) coherent public communications plan to emphasise the need for vigilance against would-be perpetrators.

### *Coordination and the Challenges Ahead*

Dealing with maritime terrorism requires a phased and scalable approach in order to be effective. Coordination is done on a daily basis through working group meetings, inter-agency training and exercises with established processes and procedures that are accepted by all agencies.

Ownership is key to operational and capability development, with pre-assignments of Incident Managers to deal with scenarios timely and decisively. There could be at least four scenarios: 1) from land – as in the recent case of the Batam rocket plot; 2) from the sea – militants/terrorists could plausibly launch a boat from neighbouring lands

and hijack an innocent vessel for use as an attack platform; 3) at sea – an attack from a militant/terrorist vessel on an innocent merchant ship; and 4) a combination of scenarios attempting to dilute the defences. The organisation needs to be nimble enough to respond to unanticipated or unknown threats, including “Black Swan” scenarios. Enforcement agencies should continue to scale surveillance and presence with co-ordinated efforts in operations centres and at sea. New capabilities like the Police Coast Guards Patrol Interdiction, 2nd Generation PK class High Speed Interception boats and unmanned surface vessels enhance presence and response at sea, while panoramic electro-optics and tethered unmanned aerial vehicles will enhance especially “blind zone” surveillance capabilities.

Importantly, to be nimble and responsive, there is a requirement for steadfast leadership and clear lines of command. The SMCC provides this support mechanism that coordinates and manages operations, swiftly and decisively, enabling the concepts for Unified Command and Single Concept of Operations.

In the ever-changing threat environment, and with scarce resources, the information sharing and international collaboration initiatives and SMCC must continue to demonstrate ability to coordinate, manage and provide leadership support in dealing with maritime terrorism. In this regard, various countries and agencies need to continue to support organisations such as the IFC and SMCC and sustain this international and inter-agency framework to maintain their operational edge.

Source: [www.eurasiareview.com](http://www.eurasiareview.com), 17 October 2016

### **Sonardyne strengthens Maritime Security presence in Scandinavia**

Underwater technology company, Sonardyne International Ltd, has appointed Scandinavian Aerospace and Industry AB (SAI) as a reseller of its maritime security products in Sweden, Denmark, Finland and surrounding territories. Based in Tyresö, Sweden, SAI supplies, supports and integrates commercial-off-the-shelf (COTS) technologies for air, land and sea applications. It works with industrial and defence organisations across Scandinavia including harbour authorities, naval forces, maritime enforcement agencies and shipyards. Under the terms of the new agreement,

SAI will now promote Sonardyne's family of underwater security products; Sentinel IDS, NOAS and high resolution mine hunting sonar, Solstice. Sentinel is the security industry's most widely deployed intruder detection sonar, capable of reliably detecting, tracking and classifying divers and small underwater vehicles approaching a protected asset. Whether it is safeguarding a critical national infrastructure facility, strategic port or naval vessel at anchor, Sentinel provides a rapidly deployable, 360° underwater security solution for any scenario.

SAI is now amongst the first of Sonardyne's resellers to have the opportunity to market the recently introduced Navigation and Obstacle Avoidance Sonar – NOAS. Installed in the bow of a vessel, 2D and 3D sonar arrays scan the water column looking for navigation hazards that could result in a collision or grounding. The system can be used as a standalone navigation aid or integrated into a vessel's existing bridge management system. Commenting on the appointment, Hans Sandström, Business Development Director with SAI said that the company was delighted to be adding Sonardyne to their portfolio of maritime surveillance capabilities.

Source: [www.sonardyne.com](http://www.sonardyne.com), 18 October 2016

### **Overfishing fuels China's Maritime disputes**

Whether it is disputes in the past with an aggressive Japan, or complaints from West African nations today, overfishing has been a complicating factor in China's engagement with the world. Chinese and English-language media outlets have recently reported on how the collapse of local fish stocks off China's coast is inflaming disputes over maritime territories between China and neighbouring states as the Chinese fishing fleet ventures into more distant waters in search of more productive fishing grounds.

*From Asia's coast, to Africa's*

Stagnant catches in China's domestic waters, plus state subsidies for the fishing industry, drive investment in bigger boats that venture farther afield in search of fish. Fishermen in the Zhoushan Archipelago, the island chain off of Zhejiang and Jiangsu

provinces that is one of China's largest fishing centres, claim that overfishing and pollution off of China's coast have pushed boats farther afield. Species such as yellow croaker and cuttlefish can no longer be caught in commercially viable amounts in Chinese coastal waters. The need to catch fish has necessitated a stronger international stance, increasing Chinese fishing pressure in waters claimed by other states. "If the country wasn't subsidizing the diesel, half the boats would be off the water," noted one boat owner in Zhoushan. "But fishermen need to fish. If there aren't fish in our waters, we need to go elsewhere."

China's long-distance trawlers operating illegally off the coast of Guinea have depleted fish populations off the west coast of Africa as they search for yellow croaker, which Guinean fishermen too know to be "the most prized fish in Asia". The yellow croaker, now classified as severely depleted, has all but disappeared from Chinese waters because of overfishing. But this is hardly the first time that mounting pressure on yellow croakers and other fish stocks has caused territorial disputes between China and its neighbours, though China's role in earlier disputes was rather different. As early as the 1920s and 1930s, Chinese fishers' abandonment of near-shore waters in favour of fishing grounds in more distant waters and the Japanese mechanized fleet's exhaustion of marine resources in the East China Sea also brought them into competition for yellow croaker fishing grounds off the Zhoushan islands.

#### *Chinese and Japanese competition over the yellow croaker*

During the late nineteenth and early twentieth centuries, Chinese fishing boats in Zhoushan harvested yellow croaker in waters relatively close to the mainland. This situation began to change as the lure of previously unexploited stocks attracted the Chinese fleet, which consisted of sail-powered junks, to waters over one hundred nautical miles from the archipelago's most distant islands.

According to a record of Zhoushan's fishing industry from 1920, "Those who have been involved in the fishing industry for a long time say that thirty or forty years ago large yellow croakers followed the tides and came to islands close to shore. At that time, there were not many boats, their fishing methods were crude, and catching fish was relatively easy. Now the number of fishing boats has increased, fishing gear is better, and the fish hide in the deep waters." As greater yields from nearshore fishing grounds

fell, Chinese fishing boats expanded into more distant waters to maintain their catch rates and to try to turn a profit.

Meanwhile, on the other side of the East China Sea, Japan's fishing industry was already transforming the marine environment on a far more massive scale. At the end of the nineteenth century, Japan launched a successful modernization program to break into the ranks of the world's imperialist powers. From the 1890s into the early 1900s, Japan used this industrial and military capacity to extend its hold over Taiwan, and Korea, as well as parts of Manchuria and north China. The development of Japan's fishing industry went hand in hand with the nation's industrialization efforts at home and imperialist expansion abroad.

Strengthening the nation's sea power by securing a greater share of the world's marine resources motivated the growth of Japan's fisheries. Technological modernization began with the introduction of steam-powered fishing boats from Europe to Japan, which spread rapidly during the Meiji era (1868-1912). At first, Japan's mechanized fishing vessels ranged across the East China Sea and Yellow Sea to catch bream and other high-priced species, but overfishing soon led to their depletion.

During the 1920s, catches of bream declined, while yellow croaker (which Japanese previously considered a low-quality species suitable for processed fish products) took their place. Hence, during the early 1920s Japan's mechanized fleet moved into waters off the Zhoushan islands where yellow croaker spawned during the spring and early summer. Japan's government encouraged this shift by granting subsidies to enterprises engaged in pelagic fisheries and fishing in foreign waters. As the Japanese fleet, targeted fishing grounds off the Zhoushan islands, it came face to face with Chinese fishing junks that had ventured into offshore fishing grounds during the early twentieth century, sparking a series of international disputes.

#### *Conflict beyond the three-mile zone*

Faced with foreign competition, Chinese fishing enterprises urged China's Nationalist government to exclude technologically superior Japanese vessels from its coastal waters. Yet Chinese fishing boats had already ventured well beyond the three-mile territorial limit that Japan and China adhered to during the 1920s and 1930s. Japanese fishing activities off the coast of China were clearly indicative of the larger pattern of

aggression – driven by Japanese imperial ambitions and colonial impulses – that characterized Japan’s relations with China during the early twentieth century.

Given the unequal power relations that existed between China and Japan at the time, the Chinese government could not risk trying to extend their territorial claims. China’s leaders employed other tactics to keep Japanese-caught fish out of Chinese markets, but Japan’s position of diplomatic advantage and military strength vis-à-vis China rendered their efforts ineffective. These transformations of the marine environment intensified diplomatic tensions as well as processes of environmental change. A transnational race to exploit the marine environment, in which technological superiority and military advantage gave the Japanese the decisive upper hand, led a decline in the productivity of yellow croaker stocks by the mid-1930s.

### *Fishing as a form of national power*

Although modern technology made it possible for Japan’s fishing fleet to deplete marine life on a much larger scale, Chinese and Japanese participants in these disputes all understood fisheries as a vital means of fortifying national wealth and power. Even as Japanese vessels placed ever greater and greater demands on yellow croaker stocks, the Chinese government advocated fishery development policies that were intended to counter foreign competition by increasing domestic production and consolidating China’s maritime power.

Like their Japanese counterparts, Nationalist China’s leaders viewed the control of the ocean and its resources as a crucial way of promoting national strength and economic development. The preservation of the yellow croakers did not enter into the equation.

This conception of the marine environment, already prevalent during the early twentieth century, might help explain the vigour with which China’s fishing fleet has followed Japan’s lead by exploiting fish stocks in waters claimed by other countries in recent years.

[www.thethirdpole.net](http://www.thethirdpole.net) 20 October 2016

## **African States, the European Union and European ship-owners endorse Maritime Security**

African Heads of State and Government met in Lomé, Togo, on 15 October for a high-level summit on maritime security. As the outcome of the summit they agreed on the 'Lomé Charter' that should be a next step in ensuring maritime security in Africa. European shipowners strongly welcome this summit and the interest African states take in the topic. ECSA was pleased to be invited by the Togolese authorities to take part in the discussions around this summit.

Concerning the continued piracy situation in the Gulf of Guinea ECSA finds it alarming and called for urgent actions to be taken to make sure seafarers can do their job in a safe and secure environment, without risk for life. "The maritime economy offers good employment opportunities, and often this starts from a career at sea", commented ECSA's representative, Wilfried Lemmens, Managing Director of the Royal Belgian Shipowners' Association. "When it comes to African academics however, international recognition is often missing. We encourage African partners to make sure they are aligned with international standards (IMO STCW recognition) and stand ready to support this process," he added.

In the event the EU showed its commitment to maritime security in the area by initiating a new capacity building project. Commissioner for environment and maritime affairs, Mr Vella, together with the ambassador for Denmark, launched the Gulf of Guinea Inter-Regional Network (GoGIN) project in the presence of Western African States. This EU/DK funded project aims at capacity and knowledge building. It will support the region in achieving the necessary tools and skills to set-up and implement effective maritime cross-sectorial regional decision-making and coordination mechanisms. ECSA Secretary General Patrick Verhoeven: "We strongly support this project and overall attention from the EU for our security concerns in the Gulf of Guinea. Capacity building is a very important step. The Lomé Charter should ensure that more steps will be taken by the regional States to have more secure seas and ports to the benefit of the overall trade environment."

Source: [www.ecsa.eu](http://www.ecsa.eu), 21 october 2016



## **Sri Lanka, India Navies discuss Maritime Security at the 27th IMBL meeting aboard Indian Naval Ship**

Oct 22, Colombo: Sri Lanka and India navies focused on maritime security at a meeting held aboard an Indian naval ship in the mid seas on Friday. The 27th International Maritime Boundary Line (IMBL) meeting between the representatives of Navies and Coast Guards of Sri Lanka and India was held onboard Indian Naval Ship Kadmatt at the Indo-Lanka Maritime Boundary Line off Kankasanthurai today (21). The Navy officials of the two neighboring countries have discussed several issues of bilateral importance focusing special attention on maintaining effective maritime security in the region by integration of forces through cooperation, coordination and collaboration.

The Sri Lankan delegation headed by the Commander Northern Naval Area, Rear Admiral Piyal De Silva, included Deputy Director General of Sri Lanka Coast Guard Commodore Sujeewa Perera, Deputy Area Commander of North Central Naval Area, Commodore Upul De Silva, Director Naval Operations, Commodore Kalana Jinadasa and a group of naval officers. The Indian delegation was led by Flag Officer Tamil Nadu and Puducherry Naval Area, Rear Admiral Alok Bhatnagar along with Indian Naval and Coast Guard officers. The annual Indo-Lanka IMBL meeting provides an opportunity to exchange views and ideas with regard to operational effectiveness through common understanding of the Navies and Coast Guards of the neighbors.

Source: [www.colombopage.com](http://www.colombopage.com), 22 october 2016



### **China Military urges restraint from U.S.-South Korea Navy Drills**

China's defense ministry said on Monday it was paying close attention to this week's navy drills between the United States and South Korea, and urged them to exercise restraint and not exacerbate regional tensions. China has been angered by a decision to place an advanced U.S. anti-missile system in South Korea, saying it will threaten China's own security and do nothing to calm things down with nuclear-armed North Korea. Seoul and Washington say the missile system is purely to act as a defense against North Korean missiles, and have denied it is aimed at Beijing.

In a brief statement, China's Defence Ministry said it was "paying close attention" to the joint U.S.-South Korean naval drills, which feature the USS Ronald Reagan aircraft carrier. "We hope the relevant sides remain calm and exercise restraint, and not do anything to exacerbate regional tensions," it added, without elaborating. Tension on the Korean peninsula has been high this year, beginning with North Korea's fourth nuclear test in January, which was followed by a satellite launch, a string of tests of various missiles, and its fifth and largest nuclear test last month.

China is isolated North Korea's most important economic and diplomatic backer, but Beijing has been infuriated by its nuclear and missile tests and signed up for strong United Nations sanctions against Pyongyang.

**Source:** [www.reuters.com](http://www.reuters.com), 17 October 2016

### **India to acquire \$2 billion nuclear attack Submarine from Russia**

NEW DELHI: Apart from the major defence deals signed during the India-Russia summit, Russia has agreed to lease a second nuclear attack submarine to India. The deal is purportedly worth \$2 billion. This agreement, which was not made public, was signed on the sidelines of the BRICS summit in Goa last weekend with other major

defence deals such as the S-400 Triumph air defence systems, the joint venture of Kamov helicopters and frigates, worth billions of dollars.

A report written by Alexei Nikolski, a columnist with a Russian daily Vedomosti reads, “According to a person in the Russian defence ministry, the long discussed lease to transfer a multipurpose Project 971 nuclear submarine to India from the Russian Navy was signed in Goa.” The Defence Ministry did not comment on the matter. Earlier India had received a nuclear submarine of this type- Project 971 also known as Akula-II- on lease from Russia. The Indian Navy currently operates this Akula-II class submarine called INS Chakra. The INS Chakra is a 8,140 tonne nuclear powered attack submarine. India had sponsored the building and sea trials of the submarine provided it was given to the Indian Navy on lease for 10 years. It was launched as K-152 Nerpa in October 2008 and entered service with the Russian Navy in 2009. The submarine was leased to the Indian Navy in 2011. Chakra was commissioned into the Indian Navy in April, 2012.

Source: [economictimes.indiatimes.com](http://economictimes.indiatimes.com), 19 October 2016

### **China's New Guided Missile Destroyer to be its Biggest Yet**

Chinese shipyards are reportedly busy constructing what will be the largest destroyers in Asia. The yet-unnamed destroyers, tentatively called the Type 055 class, will be stealthy and packed with firepower. Despite the hype on the internet, it's unlikely to be a super-ship. Instead, China's next jump forward will likely have the Chinese Navy merely catching up with the rest of the region. The first reports of the Type 055 emerged in 2014, when photos of a giant land-based mockup of the ship's superstructure—particularly the bridge and radar mast—were spotted in Wuhan, China, hundreds of miles from the ocean. The location is the same place where a mockup of China's first aircraft carrier, Liaoning, was constructed in 2009.

Subsequent reports have fleshed out the Type 055 as a guided missile destroyer 574 feet long with a displacement of 12,000 tons. That would make it the largest destroyer-type ship produced in Asia, exceeding Japan's Kongo-class destroyers by 2,500 tons.

*According to GlobalSecurity.org*

[The 005] would be outfitted with four new types of missiles, including medium-range air defense and antisubmarine missiles, as well as long-range air defense missiles and supersonic long-range anti-ship missiles. The Type 055 destroyers would also brandish long-range land attack cruise missiles and a sea-based missile interceptor. All of this sounds very much like the USS *Arleigh Burke* class guided missile destroyers. First constructed in the late 1980s, the Burke class was designed to defend aircraft carriers from waves of Soviet supersonic anti-ship missiles. In addition to fleet defense, the destroyers are also capable of anti-submarine warfare, anti-ship attack, and cruise missile strikes. Lately they have also added ballistic missile defense, through software and hardware upgrades to their Aegis combat systems and the development of the SM-3 missile interceptor.

The Type 055 class will reportedly be armed with a single 130-millimeter deck gun, 128 vertical launch system cells, and two close-in weapon systems for last-ditch missile defense. The ships will also mount four large AESA radars for detecting and tracking aerial threats, similar to the SPY-1D on the *Burke* class. development into both kinds of weapons appears highly classified, but there is no reason to believe the Beijing is any further along than Washington—and the US Navy is only considering retrofitting energy weapons to the *Zumwalts* at some vague point in the future. A Chinese military expert has downplayed the notion of railguns on the 055s, stating that the ships lack an electric drive necessary to provide power to the megawatt-hungry weapons.

Although large at 12,000 tons, there is no indication the ship is any more heavily armed than similar ships of its kind. The *Zumwalt* class weighs 14,000 tons and yet is armed with only two 155-millimeter guns and eighty vertical launch missile silos. The new American destroyers are larger in part due to an effort to mask most of their sensors, weapons, and other exterior features behind a sleek, stealthy surface. The Type 055 class will likely be the same, although artist conceptions of the ship show a comparatively modest amount of radar reducing features.

An advanced air defense radar and silos for 128 missiles is in fact nothing special to the Asia-Pacific region. South Korea's *Sejong the Great* destroyers are identical in sensors and loadout—and produced ten years ago. American *Burke* and

Japanese *Kongo* class destroyers have slightly smaller missile loadouts. The only major upgrade the 055s represent is over the Chinese Navy's current 052 destroyers, which were designed to fulfill a similar role but pack an anemic 64 missiles. The 055's relatively quick development time implies that the ship may just be the weapons and electronics of the 052 on a larger, stealthier ship.

There are various ways the 055s could be employed. The most obvious is as a fleet defense platform, protecting high value targets such as the upcoming Type 001A aircraft carrier, Type 075 landing helicopter attack ship, and Type 071 amphibious ship. Other missions could be protecting China's nuclear missile submarines in the South China Sea, launching anti-ship and cruise missile strikes against enemy targets, and protecting China from ballistic missile attacks.

Chinese military watchers believe there are three 055s currently under construction all at once, and the first ship is rumored to be ready by 2018. This rapid production schedule implies China believes the technology is mature—giving credence to the 052 theory—but also that China believes it needs them ASAP.

Source: [www.popularmechanics.com](http://www.popularmechanics.com), 24 October 2016

### **China to Carry Out More Military Drills in South China Sea**

China will carry out military drills in the South China Sea all day on Thursday, the country's maritime safety administration said on Wednesday, ordering all other shipping to stay away. China routinely holds drills in the disputed waterway, and the latest exercises come less than a week after a U.S. navy destroyer sailed near the Paracel Islands, prompting a warning from Chinese warships to leave the area. The maritime administration gave coordinates for an area south of the Chinese island province of Hainan and northwest of the Paracel Islands, which are also claimed by Vietnam and Taiwan, but controlled by China.

The brief statement gave no other details, apart from prohibiting other ships from entering the area. China's Defence Ministry did not immediately respond to a request for comment.

China has a runway on Woody Island, its largest presence on the Paracels, and has placed surface-to-air missiles there, according to U.S. officials. Brunei, Malaysia, the Philippines, Taiwan and Vietnam all have rival claims in the South China Sea, but Beijing's is the largest. It argues it can do what it wants on the islands it claims as they have been Chinese since ancient times.

Source: [www.reuters.com](http://www.reuters.com), 26 october 2016



### **US working with Sri Lanka to boost trade and tourism**

Oct 16, Los Angeles: The United States is working with Sri Lanka to boost trade and tourism, with a special focus on the regions that were hit hardest by the war, says Manpreet Singh Anand, Deputy Assistant Secretary, Bureau of South and Central Asian Affairs. Delivering a speech at the Pacific Council Members Weekend in Los Angeles, CA, on "Global Economic Forecast: Prospects for Growth, Innovation, and Development," the Deputy Assistant Secretary said the Indian Ocean is the most critical crossroads of global maritime trade as half of the world's container traffic and two-thirds of seaborne oil trade transit the Indian Ocean, while about 30 percent of global trade is handled by Indian Ocean ports.

"The security of the Indian Ocean therefore is inextricably linked to the stability of the global economy," the official said pointing out that the Indian Ocean countries including Sri Lanka must work with each other to ensure the region's security and stability. "Maritime security in the Indian Ocean will depend more and more on the ability of countries like India, Sri Lanka, and Bangladesh to work with each other, and partners like America, to uphold international norms like freedom of navigation. Stability inland also depends on how well they can combat piracy and trafficking of drugs, weapons, and people on the high seas," he said. The Deputy Assistant secretary said the countries of the region are also taking steps to bilaterally reduce barriers to trade. "With Sri Lanka, India is pursuing an Economic and Technology Cooperation Agreement. India also has older trade agreements with Bangladesh, Nepal, and Bhutan that reduced or eliminated tariffs. And the Bangladesh-Bhutan-India-Nepal Motor Vehicles Agreement, or BBIN, has drastically reduced transit times between the four countries and will allow for the faster, cheaper movement of goods and people across borders," the official said. The official asserted that the U.S. will continue to strengthen and expand its work to promote regional connectivity in South Asia, which can underpin the region's prosperity, security and stability.

Source: [www.colombopage.com](http://www.colombopage.com), 16 october 2016

## **LNG as alternative to heavy fuel Oil for Maritime Transportation**

CMA CGM and ENGIE announce today the signing of a Memorandum of Understanding to promote LNG as the marine fuel for tomorrow's container vessels. Farid Salem, Executive Officer of the CMA CGM Group, and Isabelle Kocher, CEO of ENGIE, signed the agreement today at the Marseille headquarters of CMA CGM. The agreement focuses on:

- A joint CMA CGM and ENGIE technical and economic study on LNG as a fuel for tomorrow's container ships;
- A study about the development of engineering specifications for a bunkering vessel adapted to LNG powered container ships, so as to improve over time the logistics chain necessary to fueling this type of vessels, thus promoting their deployment.

LNG use offers many environmental advantages compared to the use of heavy fuel oil: it significantly reduces CO<sub>2</sub> emissions, eliminates sulfur oxide (SO<sub>x</sub>) emissions, drastically reduces nitrogen oxides (NO<sub>x</sub>) and particulate matters.

The two groups consider that the use of LNG as a marine fuel is destined to expand in the near future and intend to be active players in this development.

This agreement rounds out the research program undertaken since 2011 by CMA CGM to design ever more environment-friendly large capacity container ships. In that regard, CMA CGM participates in two programs:

- The first is about the development of a "Dual-Fuel" large capacity container ship whose propulsion system offers to choose between using liquefied natural gas or fuel oil only. Launched in 2011 by CMA CGM, through its subsidiary CMA Ships, in partnership with the Korean shipbuilder DSME, the design of this vessel, as a proof of its success, was approved by Bureau Veritas.
- The second project aims at designing a large capacity container-ship using a combined gas and steam turbine system to power this ultra large container ship. The "PERFEct" project was launched in 2015 in partnership with DNV GL, GTT, ABB, Caterpillar, and OMT.

Source: [www.cma-cgm.com](http://www.cma-cgm.com), 19 october 2016



## **Overfishing fuels China's Maritime disputes**

Whether it is disputes in the past with an aggressive Japan, or complaints from West African nations today, overfishing has been a complicating factor in China's engagement with the world. Chinese and English-language media outlets have recently reported on how the collapse of local fish stocks off China's coast is inflaming disputes over maritime territories between China and neighbouring states as the Chinese fishing fleet ventures into more distant waters in search of more productive fishing grounds.

### *From Asia's coast, to Africa's*

Stagnant catches in China's domestic waters, plus state subsidies for the fishing industry, drive investment in bigger boats that venture farther afield in search of fish. Fishermen in the Zhoushan Archipelago, the island chain off of Zhejiang and Jiangsu provinces that is one of China's largest fishing centres, claim that overfishing and pollution off of China's coast have pushed boats farther afield. Species such as yellow croaker and cuttlefish can no longer be caught in commercially viable amounts in Chinese coastal waters. The need to catch fish has necessitated a stronger international stance, increasing Chinese fishing pressure in waters claimed by other states. "If the country wasn't subsidizing the diesel, half the boats would be off the water," noted one boat owner in Zhoushan. "But fishermen need to fish. If there aren't fish in our waters, we need to go elsewhere."

China's long-distance trawlers operating illegally off the coast of Guinea have depleted fish populations off the west coast of Africa as they search for yellow croaker, which Guinean fishermen too know to be "the most prized fish in Asia". The yellow croaker, now classified as severely depleted, has all but disappeared from Chinese waters because of overfishing.

But this is hardly the first time that mounting pressure on yellow croakers and other fish stocks has caused territorial disputes between China and its neighbours, though China's role in earlier disputes was rather different. As early as the 1920s and 1930s, Chinese fishers' abandonment of near-shore waters in favour of fishing grounds in more distant waters and the Japanese mechanized fleet's exhaustion of marine

resources in the East China Sea also brought them into competition for yellow croaker fishing grounds off the Zhoushan islands.

### *Chinese and Japanese competition over the yellow croaker*

During the late nineteenth and early twentieth centuries, Chinese fishing boats in Zhoushan harvested yellow croaker in waters relatively close to the mainland. This situation began to change as the lure of previously unexploited stocks attracted the Chinese fleet, which consisted of sail-powered junks, to waters over one hundred nautical miles from the archipelago's most distant islands.

According to a record of Zhoushan's fishing industry from 1920, "Those who have been involved in the fishing industry for a long time say that thirty or forty years ago large yellow croakers followed the tides and came to islands close to shore. At that time, there were not many boats, their fishing methods were crude, and catching fish was relatively easy. Now the number of fishing boats has increased, fishing gear is better, and the fish hide in the deep waters." As greater yields from nearshore fishing grounds fell, Chinese fishing boats expanded into more distant waters to maintain their catch rates and to try to turn a profit.

Meanwhile, on the other side of the East China Sea, Japan's fishing industry was already transforming the marine environment on a far more massive scale. At the end of the nineteenth century, Japan launched a successful modernization program to break into the ranks of the world's imperialist powers. From the 1890s into the early 1900s, Japan used this industrial and military capacity to extend its hold over Taiwan, and Korea, as well as parts of Manchuria and north China. The development of Japan's fishing industry went hand in hand with the nation's industrialization efforts at home and imperialist expansion abroad.

Strengthening the nation's sea power by securing a greater share of the world's marine resources motivated the growth of Japan's fisheries. Technological modernization began with the introduction of steam-powered fishing boats from Europe to Japan, which spread rapidly during the Meiji era (1868-1912). At first, Japan's mechanized fishing vessels ranged across the East China Sea and Yellow Sea to catch bream and other high-priced species, but overfishing soon led to their depletion.

During the 1920s, catches of bream declined, while yellow croaker (which Japanese previously considered a low-quality species suitable for processed fish products) took their place. Hence, during the early 1920s Japan's mechanized fleet moved into waters off the Zhoushan islands where yellow croaker spawned during the spring and early summer. Japan's government encouraged this shift by granting subsidies to enterprises engaged in pelagic fisheries and fishing in foreign waters. As the Japanese fleet, targeted fishing grounds off the Zhoushan islands, it came face to face with Chinese fishing junks that had ventured into offshore fishing grounds during the early twentieth century, sparking a series of international disputes.

### *Conflict beyond the three-mile zone*

Faced with foreign competition, Chinese fishing enterprises urged China's Nationalist government to exclude technologically superior Japanese vessels from its coastal waters. Yet Chinese fishing boats had already ventured well beyond the three-mile territorial limit that Japan and China adhered to during the 1920s and 1930s. Japanese fishing activities off the coast of China were clearly indicative of the larger pattern of aggression – driven by Japanese imperial ambitions and colonial impulses – that characterized Japan's relations with China during the early twentieth century.

Given the unequal power relations that existed between China and Japan at the time, the Chinese government could not risk trying to extend their territorial claims. China's leaders employed other tactics to keep Japanese-caught fish out of Chinese markets, but Japan's position of diplomatic advantage and military strength vis-à-vis China rendered their efforts ineffective.

These transformations of the marine environment intensified diplomatic tensions as well as processes of environmental change. A transnational race to exploit the marine environment, in which technological superiority and military advantage gave the Japanese the decisive upper hand, led a decline in the productivity of yellow croaker stocks by the mid-1930s.

### *Fishing as a form of national power*

Although modern technology made it possible for Japan's fishing fleet to deplete marine life on a much larger scale, Chinese and Japanese participants in these disputes

all understood fisheries as a vital means of fortifying national wealth and power. Even as Japanese vessels placed ever greater and greater demands on yellow croaker stocks, the Chinese government advocated fishery development policies that were intended to counter foreign competition by increasing domestic production and consolidating China's maritime power.

Like their Japanese counterparts, Nationalist China's leaders viewed the control of the ocean and its resources as a crucial way of promoting national strength and economic development. The preservation of the yellow croakers did not enter into the equation. This conception of the marine environment, already prevalent during the early twentieth century, might help explain the vigour with which China's fishing fleet has followed Japan's lead by exploiting fish stocks in waters claimed by other countries in recent years.

Source: [www.thethirdpole.net](http://www.thethirdpole.net), 20 October 2016

### **Maritime leaders to discuss Global Trade Challenges at SMME economic forum**

DUBAI, 20th September, 2016 (WAM) – An economic forum addressing the challenges and prospects of the industry in light of future oil price forecasts, the state of the Middle East economy and the effect of the Chinese trade slowdown on the region's maritime sector, will open the eighth edition of the biennial Seatrade Maritime Middle East (SMME) exhibition and conference in Dubai, from 31st October to 2nd November, 2016. SMME, a part of the Dubai Maritime Week, has speakers and delegates representing international and regional shipping operators, ports, financiers and associated maritime professionals, who will gather for a high-profile 90-minute panel session that will set the tone for the three-day conference and exhibition.

According to data released by FocusEconomics, geopolitical risks and weak global growth, with oil-driven economies most impacted in light of the unstable oil price scenario, and regional consolidation with short-term growth, continue to hamper development in the Middle East and North Africa (MENA) region. The online forecast expects inflation to reach 4.6 percent in 2016, increasing to 4.9 percent in 2017. "In its

August 2016 update, the panel of analysts at FocusEconomics kept the region's growth projections stable at a conservative 2.3 percent (growing to 3 percent in 2017), which, if it holds will be the weakest growth rate since the height of the financial crisis in 2009. This is a warning bell for government and industry leaders across the region, and SMME 2016 will provide a timely and essential platform for discussions as the maritime community looks at ways to mitigate, consolidate and re-strategise amidst this prolonged period of uncertainty," said Chris Hayman, Chairman of Seatrade. Held under the patronage of HH Sheikh Hamdan bin Mohamed bin Rashid Al Maktoum, Crown Prince of Dubai, SMME is the largest maritime event on the regional calendar.

According to Hayman, among other issues likely to affect the regional maritime sector, such as Europe's refugee and debt crises, US monetary tightening and Brexit, the panellists will also debate the impact of China's slowing trade and the country's economic stability. Hayman explained, "At the start of 2016, the IMF warned that the effect of China rebalancing its economy will continue to impact global economic growth through 2017. However, it also highlighted a gradual improvement of growth rates for some currently 'distressed' Middle Eastern economies, which could, in the longer term, see a revival of maritime opportunity in certain locations.

"But with other geopolitical issues in play, including ongoing discussions surrounding the need for a production limitation commitment from Russia and Saudi Arabia, which was a major talking point at the recent G20 Summit in China, as well as the impact of the US' shale oil market on future crude oil prospects, this is a challenging market for the MENA maritime industry at present."

More than 7,000 participants from 67 countries are expected at the show, which is set to evaluate current market challenges as well as look at ground-breaking case studies such as Egypt's Suez Canal expansion. Over 240 exhibitors from more than 30 countries will also be represented on the exhibition floor this year, which extends to over 4,300 square metres. Japan, Denmark, Qatar, Singapore, among others, are participating with dedicated country pavilions.

Source: [www.wam.ae](http://www.wam.ae), 20 October 2016

## **Sagarmala: Developing India's Ports to aid Economic Growth**

The Sagarmala project is an Indian government initiative to develop the country's ports and logistics to accelerate economic growth. By developing the program, the government hopes to reduce logistics costs for domestic as well as import/export cargo by optimizing infrastructure investment. A recent study done in September estimates that the resultant cost savings could range from US\$ 5.2 billion (Rs 35,000 crore) to US\$ 5.9 billion (40,000) crore per year by 2025. The government has planned six megaports under the project, namely the Vizhinjam International Seaport (Kerala state), Colachel Seaport (Tamil Nadu), Vadhavan Port (Maharashtra), Tadadi Port (Karnataka), Machilipatnam Port (Andhra Pradesh), and Sagar Island Port (West Bengal). Data shows that despite its long coastline of 7,517 km (4670.84 miles), India's coasts only contribute to 15 percent of national trade activity.

### *The Advantage of Coastal Shipping*

Logistics in India contribute to 19 percent of the GDP, and remains among the highest in the world as compared to China's 12.5 percent. Several studies show that using coastal shipping and inland waterways would be 60 to 80 percent cheaper than road or rail transport. If coastal shipping is used to complement road and rail transport in India, it could therefore lead to significant logistics cost savings. Additionally, the government recently relaxed transport rules for shipping, which will allow foreign ships to use coastal routes. Taking advantage of this, Korean automaker Hyundai Motors, followed by several other automobile manufacturers like Renault-Nissan, Ford and Toyota, recently shipped around 1,200 automobiles from Tamil Nadu to Gujarat. Car makers also reveal that the government has promised an 80 percent discount on ship cargo charges.

The Sagarmala project also aims to shift the movement of coal to the coastal route, which would cut down electricity costs by up to 35 percent. This is particularly true for coastal power plants in Andhra Pradesh and Karnataka, which receive coal by rail networks. Shipping of coal via ports can lead to estimated savings of about US\$ 1.4 billion (Rs 10,000 crore) in the power sector. This holds especially significant as the government passed the Coal Mines (Special Provisions) Bill, 2015 in March 2015 allowing for FDI in the sector. Coal can also be moved via shipping methods for non-

electricity use, such as for use in steel plants. Other products like steel, cement, fertilizers, and food grains can also be shipped at a capacity of around 80-85 million tons by 2025.

### *The Nitty-Gritty of the Sagarmala Initiative*

The Sagarmala initiative focuses on three pillars as per the Indian government:

- Supporting and enabling port-led development through appropriate policy and institutional interventions and providing for an institutional framework for ensuring inter-agency and ministries/departments/states' collaboration for integrated development.
- Port infrastructure enhancement, including modernization and setting up of new ports.
- Efficient evacuation to and from the hinterland.

In addition, the government has also proposed 14 coastal economic zones (CEZs), which will link coastal districts to ports. Such CEZs are envisioned to be much bigger than India's Special Economic Zones (SEZs), extending 500kms (310 miles) along the coastline and 300km (186 miles) inland. They will have coastal economic units for manufacturing facilities. These CEZs are also expected to aid the planned industrial corridors, such as the Visakhapatnam-Chennai Industrial Corridor as well as the Delhi-Mumbai Industrial Corridor. India's respective states are expected to take the lead on developing CEZs, though experts feel that in order for CEZs to be successful, their actual implementation, tax structure, and incentives need to be emphasized.

### *Project Framework*

The government formed the National Sagarmala Apex Committee (NSAC) to provide the overall policy guidance. In addition, the government has incorporated the Sagarmala Development Company (SDC) under the Companies Act of 2013. The SDC will help in project development and will serve as an agency for the coordination and monitoring of the Sagarmala project. The SDC will also be responsible for raising funds in the form of debt or equity as per the project requirements. To further support the project, the government has formed a Sagarmala Coordination and Steering Committee (SCSC) under the Cabinet Secretary along with other relevant ministries

such as shipping, road transport and highways, tourism, defense, home affairs, and NITI Aayog to ease coordination between the different ministries and ensure efficient implementation.

### *Observations*

The government hopes to increase cargo traffic by three-fold in the next five years. If implemented successfully, the Sagarmala project will significantly help cargo transport become more efficient while reducing costs. The project will also help in creating jobs and boost the government's flagship manufacturing initiative, 'Make in India'. In addition, foreign businesses will be able to invest as the project will require the modernization, mechanization, and computerization of ports and related areas. Around 173 projects with a required investment of US\$ 60 billion will need to be completed by 2020. While the government will continue to face, challenges regarding land acquisition, regulatory issues, and appropriate incentives, it will need to address them on a priority basis if it wants the Sagarmala project to successfully boost India's economic growth.

Source: [www.india-briefing.com](http://www.india-briefing.com), 26 october 2016

## **Japan and the BIG-B Plan for Bangladesh: An Assessment**

-Gaurav Dutta

The Bay of Bengal Industrial Growth Belt (BIG-B) plan for shared economic cooperation was announced in September 2014 when Prime Minister Shinzo Abe visited Dhaka. This marked a new era in Japan-Bangladesh relations as both countries moved towards enhanced economic relations. 1 Japan has committed to provide a loan of approximately USD 5 billion to Bangladesh for a period of four to five years. 2 The foreign aid provided in this plan primarily aims for Bangladesh to improve physical infrastructure, investment climate and connectivity aspects in Bangladesh, which would be economically beneficial for both Japan and Bangladesh. The plan showcases one of the significant components of the increasing 'JapanBangladesh Comprehensive Partnership.'



The aim of this issue brief is to study the different elements of the BIG-B initiative and how it serves to advance Japan's national strategic interests. The issue brief will further examine the implications for India arising from increased economic cooperation between Japan and Bangladesh.

### *What is the BIG-B Plan?*

The BIG-B plan is primarily based on economic, infrastructure, energy and development imperatives, wherein Japan intends to contribute to the success of developing nations and seeks to be recognized for integration of the Asian region. "The plan envisages reducing poverty by private investment, implementing policy measures to deal with catastrophic risks; and exercising leadership in achieving development goals of the international community."

The BIG-B plan considers Bangladesh as a bridge between South Asia and Southeast Asia. It is also seen as a grand design of combining two oceans namely the Pacific Ocean and the Indian Ocean to boost Japan's economy in an expanded geopolitical space. Access to markets for economic development is key to the concept of BIG-B. The central location of Bangladesh in the Bay of Bengal is seen as connecting South Asia and Southeast Asia. The geographical positioning of Bangladesh allows it to play a node and hub role in regional as well as interregional commercial activity.

This initiative aims to accelerate industrial growth, connectivity, infrastructure and investment beyond the Dhaka, Chittagong and Cox's belt area. The BIG-B plan aims to develop connectivity between Bangladesh and its neighboring nations of Bhutan, Nepal and India's northeastern region to become the heart of regional economy. Thus, BIG-B can be seen as compatible with other vital frameworks for regional cooperation such as the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), MekongGanga Initiative (MGC), Bangladesh-China-India-Myanmar Forum for Regional Cooperation (BCIM) and Regional Comprehensive Economic Partnership (RCEP). For Japan, it is an opportunity to implement and enhance 'Abenomics', which has been its policy to overcome the long period of economic stagnation. 4 The plan provides an opportunity for Japanese companies to embed itself in overseas infrastructure projects and gain access to the markets.

### *The three pillars*

the BIG-B plan identifies three main pillars for development, namely (1) industry and trade, (2) energy and (3) economic connectivity by leveraging the strategic location of Bangladesh. Japan plans to execute these pillars through the development of a deep-sea port and the establishment of coal power and Liquefied Natural Gas (LNG) plants in Matarbari Island (Bangladesh) Since the existing major port Chittagong is not suitable for modern large ship containers, the development of a deep-water port at Matarbari will improve strategic connectivity by bridging the Bay of Bengal with the South Asian hinterland consisting of Bhutan, Nepal and India's seven northeastern states.

### *Matarbari Project*

The purpose of the Matarbari Ultra Super Critical Coal Fired Power Project is to cater for the rising demand of power while mitigating greenhouse gas emissions. This project involves the construction of two 600MW units. The Coal Power Generation Company Bangladesh Limited (CPGCBL) is expected to borrow USD 3.7 billion from the Japan International Cooperation Agency (JICA) at an annual interest rate of 0.1 per cent over 30 years with an initial 10-year grace period. The energy to be produced here is to branch out to rest of the country as well as to the neighboring nations. The deep-sea port will allow Panamax class ships of 80,000 tons to directly enter Matarbari port for unloading imported coal.

### *Japan's developmental philosophy*

in executing the BIG-B plan, Japan seems to draw from its own experience of the Pacific Belt extending from northern Tokyo to southwestern Kyushu Island through Osaka in 1960. This was identified as a core plan in 1960 to double economic national income in 10 years. The Pacific belt now has 10 major industrial zones which is home to more than 500,000 companies and also produces 80 per cent of Japan's national output and millions of jobs too.<sup>9</sup> Japan's effort has been to minimize the negative effects of industrial development on the environment at the early stages rather than having to restore it after its deterioration. For instance, during the 1980's to the early 1990's, in Thailand, the development of infrastructure by Japan was coupled with capacity and institutional development. This was done through the construction of

industrial parks, highways, railways corridors, skilled labour, 4 effective and efficient administration institutions, which made it a manufacturing hub in the global supply chain. 10 Thus, Japan has tried to validate its own experience of modernization and development by providing developmental assistance to Bangladesh.

### *Challenges*

Japan's investment comes with a set of challenges as Bangladesh has high levels of corruption, unemployment, political inefficiencies and socio-economic development issues. Of late, the scourge of radical terrorism has caused anxieties in Japan as seven Japanese workers were killed in siege of a restaurant in Dhaka. 12 Adaptation to the international trade regime would be another major challenge in the near future, as Bangladesh is likely to move up from the status of a least developing country (LDC) and stands to lose the current preferential trade treatments, and will face stiff competition.

### *Geo-Strategic*

**Significance** While the BIG-B plan focuses primarily on economy, infrastructure and development, there also seems to be a geo-strategic angle to it. It is apparent that Japan is devising plans to enhance its strategic influence in South Asia.

China was invited by Bangladesh to develop Chittagong as a deep-sea port but was later denied the same due to diplomatic pressures by India and the U.S.<sup>13</sup> There were other ports namely Sonadia and Payra where China was hoping to invest, but was unable to do so. 14 Bangladesh has tried to overcome its dependence on China and attract more Japanese investment as Japan has been relatively generous. 15 It is quite evident that Japan's Big-B plan 5 is targeted towards developing strategic links with those nations in South and Southeast Asia which have inhibitions in engaging with China.

The diplomatic aspect of the aid was evident in Japan seeking the support of Bangladesh for a non-permanent seat for the UN Security Council. Bangladesh was a contender as well, but gave up its candidacy and in turn, backed Japan's bid. Japan was elected as a two-year non-permanent member in January 2016 for a record eleventh term.

A significant change is being witnessed in Japanese foreign aid towards Bangladesh, and South Asia as a whole. The nature of foreign aid earlier was focused on poverty alleviation and supporting basic human needs. The current nature of foreign aid clearly indicates a shift towards strategic, political and diplomatic spheres in order to uphold its international stature, strengthening its relations and also fulfilling their national interests.

### *Implications for India*

The BIG-B plan would benefit India substantially as it focuses on economic connectivity, which complements India's Act East Policy. This is so because the plan has potential of increasing connectivity to the northeastern states of India with easier access to sea-borne trade and commodities. This plan significantly supplements multilateral frameworks like the BIMSTEC and MGC for development of the region as a whole as connectivity, trade and technology forms a crucial part of these frameworks.

The maritime benefits would accrue through the possible development of a network of international shipping lanes (ISL), ports and infrastructure which would complement the proposed Vizag-Chennai Industrial Corridor (VCIC). VCIC is a proposed coastal industrial corridor which focuses on integration of the Indian economy with the global value chains in Asia and beyond.

The development of new shipping routes in the Bay of Bengal may lead to enhanced security safety and environmental challenges. According to India's Maritime Security Strategy (2015), the Bay remains a primary area of India's maritime interests.<sup>18</sup> This also opens up greater avenues for naval cooperation with Japan and other neighbouring countries, aimed at protecting freedom of navigation and free flow of trade in these vital waters. It may also call for India to engage in building the capacity of neighbouring countries in the areas of maritime law enforcement, security and training.

### *Conclusion*

It is evident that the BIG-B plan goes beyond just economic issues and incorporates geopolitical elements. Japan wishes to replicate its philosophy of sustainable development from its earlier experiences. However, the plan comes with many

challenges like administrative inefficiencies, corruption and terrorism which need to be overcome. The use of foreign aid as a tool has been a significant element of Japanese foreign policy. It is true that any kind of foreign aid fulfills national interests but the aid received in accordance with the BIG-B plan has geopolitical objectives and this has been a marked change in their nature of aid towards Bangladesh.

China and Japan are both trying to increase their influence in the region which is emerging as one of the world's largest potential markets. The BIG-B plan has significant implications for India as it would be beneficial for India's Act East Policy and for multilateral forums like the BIMSTEC and MGC initiative. An increased network of ports and ISL in the Bay of Bengal would benefit the proposed VCIC and lead to greater integration of Indian economy with Asia. Due to possible rising security threats in the Bay region, there is scope for collaboration in capacity building between the India and Japan.

BIG-B is an ambitious project by Japan in Bangladesh to fulfill economic goals and to establish its geopolitical influence in Asia. It promises to further elevate Japan's international stature as a significant contributor of international peace and stability through its ODA plans to underdeveloped and developing nations and fulfilling its national strategic interests at the same time.

Source: [www.maritimeindia.org](http://www.maritimeindia.org), 21 october 2016



## MARINE ENVIRONMENT



### **Marine micro plastics problem in N.L.: MUN scientist**

scientist based at Memorial University says there are far more microplastics in the waters around Newfoundland and Labrador than previously thought, and she's raising the alarm about what that means for both the environment, and human behaviour in the province. "We've found plastics everywhere we've looked," said Max Liboiron, an assistant professor and the head of MUN's Civic Laboratory for Environmental Action Research (CLEAR).

That contradicts earlier thoughts on the subject, that the waters surrounding the province were relatively plastic-free — a mindset Liboiron said has been perpetuated by a lack of debris washing up on shore. But skimming the surface and investigating the innards of fish and seabirds has turned up the proof. And what's more — a lot of the trash is local. "Most of the plastics in Newfoundland come from Newfoundland," Liboiron told CBC's Here and Now. "They're pretty intact when we find them. If you put plastics out in the ocean they shred up pretty fast," she said, adding she's seen a variety of local plastics, from fishing gear to kitchen waste to plastic bags, inside animals' digestive systems.

#### *Push for a plastic bag ban?*

Liboiron's research comes as the conversation and controversy over banning plastic bags ramps up. City councillors in both St. John's and Corner Brook have been pushing for an end to the bags, and a similar ban on Fogo Island has reportedly met with success, although a business group in the province has spoken out against any potential ban. Liboiron supports a ban, saying it's necessary from an environmental perspective. "It stops the flow of plastics from coming into the ocean, then concentrating on the plastics that are already there. Otherwise its like bailing out a boat before you've plugged the hole," she said, adding even when bags are sent to the landfill, it's easy for them to find their way to open water. "We're trying to keep plastics from coming into the ocean. Once they're in the ocean there's very little you can do."

### *The plastic pee test*

It can take 10,000 years for plastic to break down, said Liboiron, and that's just an educated guess. "You put those plastics in a vibrating jar of uric acid — the same acid as pee — you vibrate it very very fast under very bright lights, and then you measure the weakening of the bonds. And then by math you extrapolate how weak those bonds would have to get for them to break apart," she said, explaining the methodology behind those estimates. "[But] most plastics, especially when they're in the ocean, it's cold, it's dark, they're not going to break down, period. So, they're going to outlast our species."

Added to that long life is the harmful nature of the chemicals within plastic. "When an animal eats [plastics], the chemicals go into its tissues, and it accumulates in the animal. But it biomagnifies up the food web, so those chemicals get concentrated the higher up the food web that you are. And humans are pretty near the top," she said. Liboiron said those same microplastics then go on to cause a number of human health problems, with plastics correlated to rising obesity, decreasing male fertility and developmental issues: all reasons to put down the plastic bag.

Source: [www.cbc.ca](http://www.cbc.ca), 17 october 2016

### **Maritime Nations near big cut to Pollution-Causing Sulfur in Ships' Fuel**

The world's leading maritime nations are leaning toward setting rules next week to cut the sulfur in oceangoing vessels' fuel by more than 85% in 2020, people familiar with the matter say. The rules are aimed at reducing the air pollution from burning high-sulfur fuel oil—a viscous refining byproduct—that health officials blame for respiratory and heart diseases. Shipping executives say it would cost around \$40 billion for the industry to meet the new rules, with some of the outlays starting soon, during one of the sector's worst-ever downturns.

The regulation also could catapult the price of cleaner-burning marine diesel fuel sharply higher if the deadline isn't extended to 2025, giving fuel producers time to adjust, some shipping and energy executives say. Even at the later date, some ship operators say they doubt there would be enough of the fuel to supply the industry.

The International Maritime Organization, the United Nations' shipping regulator, is scheduled to begin meetings in London on Monday where member countries will decide whether to require the change in 2020 or push out the deadline by five years. "The IMO will seek a consensus decision and many major shipping nations have expressed their intention to adopt the 2020 deadline," says one person involved in the matter. "But it's one country-one vote and if objections are raised it will go to a vote. In that case, it will be close and can go either way."

The regulator might choose to allow the rules to take effect gradually between 2020 and 2025 for certain ship types or geographical areas, or postpone a decision altogether. "Effective enforcement measures are necessary in order to ensure real environmental progress as well as a level playing field for all shipping lines internationally," said a spokesman for Maersk Line, the world's biggest container carrier. "An IMO decision should reflect this."

Ships contribute about 13% of the world's total sulfur-dioxide emissions according to the IMO—much less than other industries like electricity production. The pollution from burning high-sulfur fuel causes respiratory ailments, and can aggravate existing heart disease, according to the World Health Organization. Implementing the rules in 2020 instead of 2025 would prevent thousands of premature deaths world-wide, health officials say. But the change would be a blow to some refiners and the shipping industry. The rules would quash demand for fuel oil and increase consumption of cleaner-burning diesel.

If enacted in 2020, marine-diesel prices could surge as high as \$1,000 a metric ton, said Gregg Schwartz, director of strategic development at fuel supplier Aegean Marine Petroleum Network Inc., at a September event in New York. "This shock will really crush an already beleaguered [shipping] industry." Marine gas oil, which is nearly identical to marine diesel and has a lower sulfur content than fuel oil, on Thursday cost \$464.50 a metric ton in Singapore, according to pricing service S&P Global Platts. Fuel oil sold for \$283.97 a ton.

Many of the IMO's 171 member countries, 87 of which handle 96% of the world's cargo, already are moving toward cutting sulfur emissions. These including some of the world's biggest ship-owning nations such as Greece, China, Germany and the U.S. In



much of the world, however, ships can use fuel with a sulfur content of up to 3.5%, more than 2,000 times the level allowed for cars on U.S. highways. Earlier this year, China, which moves a third of the world's containers, began requiring vessels calling at its largest two ports of Shanghai and Shenzhen to use low-sulfur fuel. European Union nations will limit by 2020 the sulfur content in marine fuel regardless of the IMO decision. Tighter sulfur limits have been imposed for ships sailing the English Channel, North Sea and Baltic Sea and those docking along the U.S. and Canadian coasts.

Asian shipping powerhouses like Japan and China haven't raised any objections to the prospect of changes. But the change would affect about 70,000 ships and burden operators already reeling from one of the industry's worst downturns. Shipping operators have three options for complying with the new rules: Switch from sulfur-heavy fuel oil to more expensive diesel or a diesel-based blend, use ships that run on liquefied natural gas, or install scrubbers to existing ships to filter out sulfur.

Sweden's Stena Line, the EU's largest ferry operator, serving Northern Europe's low sulfur zone, in 2014 said it had to shed about 800 jobs, or 30% of its workforce to pay for required scrubbers that cost \$5 million to \$6 million a vessel. Oil prices have fallen sharply in recent years, meaning a switch to pricier fuels could be less painful than before for operators. Many analysts reckon some shipping companies will meet the requirements by using new fuel blends that are untested in ships, rather than use straight marine diesel or gas oil.

The low-sulfur fuel blends "are basically not fit for purpose," said Lars Robert Pedersen, deputy secretary-general for BIMCO, an industry group, representing ship operators. "We think that is a very, very serious problem." A study commissioned by the IMO this year found there would be a sufficient supply of cleaner fuels for a 2020 implementation. Royal Dutch Shell PLC and BP PLC also have said they can meet a shift in demand.

Source: [www.wsj.com](http://www.wsj.com), 21 October 2016

## **MEPC 70: International Maritime Organization Urged to Drop World's Dirtiest Fuel**

London, October 24 2016: - As the International Maritime Organization's Marine Environment Protection Committee meeting opened today in London, the Clean Arctic Alliance called on IMO members to end the use of heavy fuel oil (HFO) in Arctic waters. HFO, a toxic, tar-like sludge that breaks down extremely slowly in cold Arctic waters and close to impossible to clean up in the event of a spill, is used by almost half the ships operating in the Arctic. HFO poses a severe risk to the fragile marine Arctic environment and the coastal communities that depend upon the sea's resources.

During the MEPC meeting, discussions relating to shipping fuels and emissions will likely predominate, as the body also considers deadlines for setting sulfur limits in fuels, and initiates debates on greenhouse gas emissions from ships. "This week, the International Maritime Organization has the perfect platform to begin the immediate phase-out of the use of heavy fuel oils in Arctic waters", said Dr Sian Prior, Advisor to the Clean Arctic Alliance, a coalition of international not-for-profit organisations. "With some parts of the shipping sector already taking action, now it's time to build on that momentum". "When this meeting ends on Friday, member countries must have agreed to address the risks of using HFO in the Arctic", continued Prior. "To move forward, the IMO must add new work on the regulation of HFO to its programme, and set a tight deadline for completion of that work, in order to achieve a phase out by 2020.

In early September, the United States and Canada formally notified the International Maritime Organization that a "heavy fuel oil spill in the Arctic could cause long-term damage to the environment". This follows March 2016 commitments made by U.S. President Obama and Canadian Prime Minister Trudeau to "determine with Arctic partners how best to address the risks posed by heavy fuel oil use and black carbon emissions from Arctic shipping". Also in September, the Danish political party Venstre and the Danish Shipowner's Association, and an Arctic cruise sector leader Hurtigruten called for regulating or banning the use of HFO in the Arctic.

Heavy fuel oil is already banned throughout Antarctica, and in the national park waters around the Norwegian Arctic Archipelago of Svalbard, leaving only a strictly regulated corridor for ships to access the islands.

“Eliminating the use of HFO for fuel in Arctic waters is the most direct mechanism for mitigating the many consequences of an HFO spill, and reducing harmful CO<sub>2</sub> and black carbon emissions in the Arctic region,” continued Prior. “Phasing out HFO, and replacing it with cleaner, more efficient fuels - such as so-called transition fuels, like LNG or lighter distillate fuels, would be a step in the right direction towards fossil-fuel free shipping”.

The burning of heavy fuel oil by ships emits significant quantities of black carbon, potent in accelerating the already rapid pace of Arctic climate change. In the Arctic atmosphere, black carbon absorbs heat from the sun and reflected heat from the snow and ice doubling the warming impact when it settles on the snow and ice surfaces. When black carbon falls on the light-coloured surfaces, it reduces the amount of sunlight reflected back into space, accelerating snow and ice melt. This increases the surface area of exposed, dark ocean water, and promotes a self-reinforcing cycle of land and sea ice melting and climate warming.

Dr Prior said: “It is imperative that discussion of an HFO ban is added to the IMO’s agenda, particularly since the short lifetime of black carbon from burning HFO in the Arctic means that controls can have an immediate impact, both for protection of the Arctic climate, for reducing the risks of economically, socially and environmentally devastating HFO spills”. “Arctic waters include some of the world’s most productive ocean ecosystems, providing sustenance to large populations of whales, seals, and walrus and seabirds. Some of the world’s highest volume fisheries rely on the incredibly productive Arctic waters. Ending the use of HFO in Arctic waters is one way to protect these ecosystems”, concluded Dr Prior.

On Wednesday 26th October, a panel of Arctic indigenous speakers from Russia, the United States, and Canada will address the IMO, the United Nations’ agency which sets rules for international shipping. The speakers, including Eduard Zdor of the Association of Traditional Marine Mammal Hunters of Chukotka, Hans Lennie of the Inuvik Hunters and Trappers Committee and the Inuvialuit Game Council, and Tagak

Curley, considered one of the Fathers of Nunavut for his role in negotiating and establishing the territory, will outline the benefits and threats posed by shipping to food security and way of life in the north during a 30-minute session on the need for ongoing indigenous engagement from the IMO. They are expected to discuss specific measures the MEPC can take, including banning HFO, in order to eliminate spill risk and emissions impacts, as well as taking stronger environmental provisions in the Polar Code. The IMO is currently not advised by an indigenous delegation when setting shipping policy.

Source: [arcticjournal.com](http://arcticjournal.com), 24 October 2016

### **Seeking Phase-Out of Heavy Fuel Oil in the Arctic**

A coalition of environmental NGOs calls for phase-out of use of heavy fuel oil (HFO) for Arctic shipping at an International Maritime Organization meeting in London this week. Burning heavy fuel oil also emits significant quantities of black carbon, a highly potent short-lived climate pollutant that accelerates the already rapid pace of Arctic climate change. When black carbon falls on light-colored surfaces, such as Arctic snow and ice, it reduces the amount of sunlight reflected back into space. This process can accelerate snow and ice melt, increase the surface area of exposed, dark ocean water, and promote a self-reinforcing cycle of land and sea ice melting and climate warming.

Heavy fuel oil is still used by most ocean-going commercial ships, but, due to its dangers, is already banned in Antarctica and in the waters around the Norwegian Arctic Archipelago of Svalbard. Its use is still unregulated across the Arctic. The eight-nation Arctic Council has identified spills of heavy fuel oil as the top threat posed by Arctic shipping. With climate change accelerating in the Arctic, and as polar ice recedes, increased Arctic vessel traffic increases the urgency to protect fragile Arctic marine environments and the communities that depend on them. Arctic waters include some of the world's most productive ocean ecosystems. Many of the world's largest seabird colonies and most of the world's populations of several whales, seals, and walrus live here. Some of the world's highest volume fisheries rely on the incredibly productive Arctic waters. HFO is virtually impossible to clean up and breaks down very slowly, particularly in the cold Arctic.

“The International Maritime Organization must begin the immediate phase-out of heavy fuel oils from Arctic waters,” said Sian Prior, Advisor to the Clean Arctic Alliance international coalition of NGOs. “We urge the International Maritime Organization to adopt a legally binding instrument to end the use of HFO as marine fuel in Arctic waters by 2020.”

“As sea ice continues to melt away, Arctic shipping routes are becoming increasingly accessible to vessels using HFO as marine fuel,” added Liana James, Shipping Policy Consultant for the US-based Clean Air Task Force. “The United States is in a unique position to demonstrate leadership on this important issue, and to urge the IMO to phase out of the use of HFOs as marine fuel in the Arctic. This action will be a critical step in mitigating the serious environmental risks associated with increased Arctic shipping, including the devastating global consequences of black carbon blanketing snow and ice across the Arctic region.”

In early September, the United States and Canada formally notified the International Maritime Organization (IMO) that a “heavy fuel oil spill in the Arctic could cause long-term damage to the environment”. This warning follows the March 2016 commitments made by U.S. President Obama and Canadian Prime Minister Trudeau to “determine with Arctic partners how best to address the risks posed by heavy fuel oil use and black carbon emissions from Arctic shipping.” Last month the Danish political party Venstre and the Danish Shipowner’s Association, an Arctic cruise sector leader called for regulating or banning the use of HFO in the Arctic.

The Clean Arctic Alliance (CAA) campaign to phase out the use of HFO in Arctic waters is gaining momentum as the IMO prepares to meet in London. As part of that gathering, the 70th Session of the IMO’s Marine Environment Protection Committee (MEPC) is meeting from October 24 to 28 in London. Discussions relating to shipping fuels will likely predominate as the body also considers deadlines for setting sulfur limits on fuels.

Source: [www.globaltrademag.com](http://www.globaltrademag.com), 24 october 2016

## **Plastic Pollution of the Oceans has reached crisis point**

Strewn across beaches, floating on the surface of the water, hitting the sea bed and causing immeasurable damage to our marine life, the problem of plastic is one that needs our immediate attention and action. In fact, the problem is now so bad, scientists predict that by 2050 there will be more plastic in the ocean than fish.

Bristol-based research organisation Eunomia, focuses on the sources and impacts of waste in the marine environment and is one of the leading UK organisations in this area. It recently published a report entitled *Measures to Prevent Marine Plastics* which concluded "there is no time to waste" in tackling the problem. Monitoring and ongoing research is problematic due to the fact that sea plastic (and other litter) doesn't respect boundaries, and as such, a collective global approach is needed to combat the issue.

Last month a network of more than 100 NGOs set out a vision with 10 principles working towards the ultimate goal of a future free from plastic pollution. This represents the first step in a global movement to change society's perception and use of plastics. Delphine Lévi Alvarès, Zero Waste Europe policy officer and coordinator of the European plastics alignment process says: "This is the first time that groups from all around the world have come together to find a common solution to the problem of plastic pollution. It is the beginning of a movement which will lead to governments, cities and companies taking major action to tackle this ever-growing problem." The NGOs involved are calling on the European Commission and Member States to strive for ambitious policy changes to lead the way to a future free from plastic pollution.

Recently, the prospect of banning "primary microplastics", or microbeads in cosmetics, became headline news, but secondary microplastics - where plastics have broken down from larger segments, remains as big albeit a much less well-understood problem. Many would argue plastics as a whole should be banned altogether, but Eunomia takes the view that turning our back on all plastic is unlikely to appeal and instead the organization suggests a number of measures including:

- a deposit-return scheme for single-use beverage containers

- the phasing out of plastic cotton bud sticks, (which can readily be replaced with paper-based alternatives)
- a comprehensive ban on microbeads in cosmetics products that could subsequently be extended to other products that are sources of marine microplastics
- the phasing out of plastic drinking straws and stirrers

Cyrill Gutsch, founder of New-York based Parley for the Oceans, has come up with another way of helping the clear up - by championing eco-innovation, and challenging brands to understand where their products come from at every point in the supply chain. Using ocean plastics in products for fashion and sports industries is one part of this. Parley's solution is ultimately to re-invent plastic, and in the short-term follow the rules: to avoid plastic wherever you can, intercept plastic and pollution and redesign the source of the problem.

Working with adidas, Parley has helped create a new trainer, which is made from sea plastics, and the company has teamed up with the UN to work with small island states including the Maldives, Grenada and the Seychelles. Speaking about his collaboration with adidas Cyrill says: "Brands shouldn't just assemble their product. They should make the product and understand every little ingredient in it. You can only tweak the supply chain if you understand your product to the core."

Other brands tackling the plastic problem head on include US-based Hamilton Perkins, which creates bags from thousands of recycled plastic bottles, collected in developing countries. Founder Hamilton Perkins, says: My company turns recycled plastic bottles into designer bags. We also do a lot to track the impact, submitting to rigorous third party review. I do indirectly depend on the research and insights that marine scientists bring." In his promotional video, he adds: "We don't just want to be a bag manufacturer, we want to be a problem-solver and when we see our bags around the world we know that we're solving problems around the world."

Belgium-based Ecover also uses recycled plastics in their products, using 75% Plantplastic, and 25% postconsumer recycled plastic. As consumers, we all need to become more aware of what goes into the products we buy, and to ensure our waste doesn't end up in the seas, but responsibility also lies with corporations and producers to understand how products are made and the impact they have. Through further

research and a collective determined to rid the world of plastic pollution, perhaps we still have a chance to save our oceans.

Source: [www.theecologist.org](http://www.theecologist.org), 27 october 2016





## GEOPOLITICS



### **Security of Indian Ocean linked to stability of Global Economy: US**

The security of Indian Ocean is “inextricably” linked to the stability of global economy, the U.S. has said and underscored the need for maritime cooperation between India, Sri Lanka and Bangladesh to uphold international norms such as the freedom of navigation. “Maritime security in the Indian Ocean will depend more and more on the ability of countries like India, Sri Lanka, and Bangladesh to work with each other, and partners like America, to uphold international norms like the freedom of navigation,” said Manpreet Singh Anand, Deputy Assistant Secretary of State for South and Central Asia. The “stability inland” also depended on how well the above countries can combat piracy and trafficking of drugs, weapons, and people on the high seas, Mr. Anand told the Pacific Council Members here on Friday.

He said South Asia has a tremendous growth potential as the region boasts more working-age people than anywhere in the world with its economies growing at an average of more than 7 per cent. “You can plainly see how the security of the Indian Ocean is inextricably linked to the stability of the global economy,” said the Indian-origin diplomat. As over 250 million South Asians move into cities in the next 15 years, creating strong demands for infrastructure and services, Mr. Anand said the World Bank estimates that the region will need about \$ 2.5 trillion in infrastructure investment over the next ten years to reach its full economic potential.

“While the countries of South Asia are increasingly trading more around the globe, the region is still one of the least economically—integrated in the world, with less than six per cent of its total trade and less than one per cent of its investment flows occurring from within the region,” he rued. He said U.S.’ efforts to build prosperity and stability in South Asia are not only about improving trade and connectivity but also have strong social and environmental components.

“With India, we have increased bilateral trade to over \$100 billion a year, while launching dozens of programmes to promote women’s entrepreneurship and equitable

access to healthcare, education, finance, and more,” he said. Mr. Anand said the regional countries were taking steps to bilaterally reduce barriers to trade. “With Sri Lanka, India is pursuing an Economic and Technology Cooperation Agreement. India also has older trade agreements with Bangladesh, Nepal and Bhutan that reduced or eliminated tariffs,” he said. “The Bangladesh—Bhutan—India—Nepal Motor Vehicles Agreement, or BBIN, has drastically reduced transit times between the four countries and will allow for the faster, cheaper movement of goods and people across borders,” Mr. Anand said.

Source: [www.thehindu.com](http://www.thehindu.com), 16 october 2016

### **Beijing’s Adroit Diplomacy is Isolating the U.S. in Asia**

As Hillary Clinton and Donald Trump battled it out in the final U.S. presidential debate, China was busy rolling out the red carpet for an unlikely guest: Philippine President Rodrigo Duterte, who was on a four-day tour of the world’s second largest economy. The Asian state visit may have been overshadowed by American campaign rhetoric but it carried great geopolitical weight. At a business forum in Beijing’s Great Hall of the People on Thursday, Duterte, who took office in June, announced his nation’s “separation” from the U.S. “Both in military, not maybe social, but economics also,” he said, “America has lost.”

It was a stunning statement from the leader of one of the world’s most pro-American nations, which is bound to the U.S. by a seven-decade-old defense alliance. The setting was also momentous: in recent years, few bilateral relations have been as acrimonious as those between China and the Philippines, which were poisoned by competing territorial claims in the South China Sea. In July, China excoriated the Philippine government, under Duterte’s predecessor Benigno Aquino III, for filing — and winning — a case with an international tribunal that rubbished China’s South China Sea claims. The *People’s Daily*, the mouthpiece of the Chinese Communist Party, opined that “a U.S.-led conspiracy [was] behind the farce.”

Now, Duterte has agreed to talks on the South China Sea with China, which showered the visiting Philippine President with promises of \$13.5 billion in trade deals. “I’ve

realigned myself,” Duterte told his hosts on Thursday, “in your ideological flow.” Even though Beijing has built artificial islands that double as floating military bases in contested South China Sea waters, Duterte noted on Wednesday that China “has never invaded a piece of my country all these generations.” He went on: “During the Cold War, China was portrayed as the bad guy [but] ... what we have read in our books in school were all propaganda produced by the West.” And that wasn’t all. “Americans are loud, sometimes rowdy. Their larynx is not adjusted to civility,” he added. “They are a very discourteous people.”

In an earlier interview with China’s state broadcaster CCTV, the combative Philippine leader, who has repeatedly referred to U.S. President Barack Obama as a “son of a whore,” said that “the only hope of the Philippines economically, I’ll be frank with you, is China.” By contrast, Duterte said in Beijing that he no longer considered the U.S. — which once colonized the Philippines and is hoping to resuscitate its military presence in the Southeast Asian nation — a trusted partner. “Your stay in my country was for your own benefit,” Duterte said about the U.S., to a group of Filipino expatriates in Beijing. “So time to say goodbye, my friend.”

Duterte likes his politics to shock. His Cabinet members and top advisers have professed surprise about his defense and foreign policy statements — and spent Thursday evening attempting to soften his anti-U.S. language. But the Philippine President’s turn away from the U.S. toward China is not unique in Asia, and it is troubling news for a superpower that made a “pivot” to Asia a cornerstone of foreign policy. “We are going to be seeking an explanation of exactly what the president meant when he talked about separation from the U.S.,” said U.S. State Department spokesman John Kirby on Thursday. “It’s not clear to us exactly what that means in all its ramifications.”

Even as quagmires in the Middle East proliferated, Obama championed his Asian pivot as a fresh policy initiative for a fresh century. During a 2011 trip to Asia, which had long felt ignored by George W. Bush’s administration, Obama vowed: “The United States is a Pacific power, and we are here to stay.” Clinton, then serving as U.S. Secretary of State, dubbed the 21st century “America’s Pacific Century.” In fact, her first trip abroad as Secretary of State was to Asia.

The pivot, later downgraded to a less vigorous “rebalance,” did reap some rewards, even if China saw it as nothing but containment. Showing up for various regional conferences proved, at the very least, that America hadn’t forgotten about Asia. New friendships were forged. Vietnam and the U.S., for example, are now far closer than at any point in the four decades since American soldiers exited an unwinnable war. (Vietnam, along with other regional claimants, has pushed back against China’s contention that it owns roughly 90% of the South China Sea.) In Burma, known officially as Myanmar, Washington has cheered as the political party of democracy activist Aung San Suu Kyi won elections — and a junta that had once cozied up to Beijing began distancing itself from certain Chinese investments.

But with the U.S. distracted by the Middle East, not to mention mired in the most acrimonious presidential election in generations, the Asia pivot has failed to sustain relations with some of the Washington’s longest-standing allies in the region. In the case of the Philippines, local officials wondered why the U.S. did not speak out or act more forcefully when China began its island-building campaign in the South China Sea. “The U.S. under Obama was the one that raised our expectations with its pivot to Asia,” says Clarita Carlos, a political analyst and former president of the National Defense College of the Philippines. “But we discovered that the U.S. did not put meat into its declaration.” Since taking office in June, Duterte has responded by suspending joint military patrols with the U.S. in the South China Sea. He has also talked about buying Chinese weapons to fight terrorism back home.

If geopolitics is a zero-sum game, American inattention — or at least dashed Asian hopes — may be to China’s advantage. “In East Asia, the U.S. talked too much and did little,” says Gao Shaopeng, a professor at China Foreign Affairs University in Beijing. “Since President Xi [Jinping] has been in power, he has attached great importance to relations with Asian countries. Now we are seeing some good results.”

In Thailand, where the military took power through a 2014 coup, junta leader Prayuth Chan-ocha began joint military exercises with the Chinese last year. For a nation that once served as a staging ground for U.S. military operations in Vietnam, this defense cooperation with China felt like a turning point. Even though Thailand is still bound by a U.S. defense alliance, the Thai government has also agreed to buy Chinese submarines. Thailand’s enhanced military relations with China occurred just as

Washington suspended military aid to Bangkok because of American concerns over the junta's power grab. But Thailand's outreach to China predated this diplomatic slight. "Long before the pivot, there was a sense that the Thai-U.S. military alliance had lost its relevance," says Michael Montesano, an expert on Thailand at the ISEAS-Yusof Ishak Institute in Singapore.

Thailand's military-run government has deported Chinese-born dissidents and refugee applicants, ignoring an international outcry over Beijing's lack of due process. Last month, Hong Kong political activist Joshua Wong was denied entry to Thailand for a conference. It's hard, perhaps, to ignore the economic reality that China is, like with so many Asian nations, Thailand's largest trading partner. Amid a foreign-investment slump following the 2014 putsch, China has continued to invest in Thailand, not only with a flood of tourists but with infrastructure projects as well.

Even Japan, which prides itself as the U.S.'s strongest ally in Asia, has been disappointed by the pivot — and the role that Asian democracies have played in U.S. presidential politics. Japan hosts nearly 50,000 American troops on its soil and is tied to the U.S. by a mutual defense treaty. So, when Trump said in a debate that Japan (along with nations like South Korea and Germany) "should be paying us, because we are providing tremendous service," Japanese wondered if he'd forgotten about the almost \$2 billion per year Tokyo gives Washington to maintain the U.S. military presence. "We can't defend Japan," Trump has said, chilling words for a nation that views with increasing alarm China's growing economic and military power.

In Thursday's debate, Clinton again reassured Japan and defended the U.S.'s treaty obligations with its Asian allies. But as Trump has attacked trade deals for stealing American jobs, Clinton has also tacked against globalization. While she was Secretary of State, Clinton championed a key component of Obama's Asia pivot, the 12-nation Trans-Pacific Partnership (TPP) trade deal. But she now says she no longer supports the pact, which needs to be ratified by the U.S. Congress.

That's bad news for Japan, the world's third largest economy. Partly under American pressure, Tokyo declined to sign up for a new Chinese financing initiative called the Asian Infrastructure Investment Bank. What happens if TPP is also off the table? In September, the usually diplomatic Japanese government issued a scathing 15-page

critique of the populist isolationism that led to Brexit. “Success or failure” in ratifying TPP, warned Japan’s Prime Minister Shinzo Abe last month, “will sway the direction of the global free trade system, and the strategic environment in the Asia-Pacific.”

Of course, China’s economic sway in the region may be undercut by its increasingly assertive foreign policy. Last month, the *Global Times*, a Chinese Communist Party–linked tabloid, railed against Singapore for allegedly pushing to include the topic of the South China Sea territorial disputes in a joint statement issued at the Non-Aligned Movement summit. Singapore’s ambassador to China fired back, saying that the Chinese media report was “false and unfounded.” The Southeast Asian city-state, which has long invested in China, did not appreciate Chinese criticism, even if it has provided a deployment base for U.S. military craft that patrol the South China Sea.

An opinion poll published this week in the Philippines showed that the public still trusts the U.S. more than China. Nor has Duterte, a firebrand with a knack for insulting many a world leader, been consistent in his attitudes toward Beijing. During the Philippine presidential campaign, earlier this year, Duterte vowed that he would ride a jet ski to disputed South China shoals and isles in order to protect Philippine interests. For all of his criticism of the U.S., Duterte has not yet turned his back on an agreement to give American soldiers access to bases in the Philippines. The Philippine electorate may push back on their leader’s anti-Americanism and urge him to defend what they consider Philippine territory in the South China Sea, even if increased trade with China is welcomed.

Nevertheless, Chinese foreign policy analysts see the weight of history in Beijing’s favor. For centuries, Asian nations paid tribute to Chinese emperors, who controlled the world’s richest civilization. The U.S., by contrast, is a recent interloper. “Now it’s time for China to restore the relationship, like in the old times,” says China Foreign Affairs University’s Gao. “For Asian countries, they have to come close to China. There is no other choice for them.”

Source: [time.com](http://time.com), 21 october 2016

## **Japan wants India to speak its mind on South China Sea**

ISHIGAKI/ NEW DELHI: Japanese authorities were stunned to notice in August this year more than 200 Chinese fishing boats operating in the contiguous zone around East China Sea's Senkaku islands, which Beijing insists on calling Diaoyu islands. Around the same time, 15 Chinese Maritime Law Enforcement Force (MLEF) vessels entered Japanese territorial waters around the Senkakus. Fifteen is a remarkable number because, according to Japanese authorities, China deploys not more than 4-5 MLEF vessels near Scarborough Shoal, which it is seeking to forcibly occupy from the Philippines, in South China Sea.

Japanese fishermen have already stopped visiting the Senkakus. "Our people can't go to Senkakus as they fear a collision with Chinese fishing boats," said Yoshitaka Nakayama, the mayor of Ishigaki in Japan's Okinawa prefecture. The Ishigaki island is located 170 km south of the uninhabited Senkaku islands. It is a no-brainer that Japan's heightened focus on maritime security is directly proportional to China's growing assertiveness East China Sea where the latter challenges Japan's sovereignty over the Senkakus, which comprise 5 islands and 3 reefs. As Beijing raises the stakes in Japan's contiguous zone as well as territorial waters in East China Sea, Japan is looking increasingly at India as an indispensable partner in preventing China from altering the maritime status quo in South China Sea where it is not itself party to any territorial dispute.

"We are encouraging India to speak up on issues related to South China Sea because maritime security is important," said Yuki Tamura, deputy director of Japan foreign ministry's regional policy division which handles South China Sea, told TOI. Ahead of the East Asia Summit last month, Tamura said, Japan and India also worked together to include cooperation in maritime security in the Summit's priority list. Maritime security is likely to figure prominently in PM Narendra Modi's summit meeting with his counterpart Shinzo Abe in Tokyo later this year. The last summit in Delhi saw the two leaders introducing a mention of South China Sea specifically in the India-Japan joint statement. Japan is worried that China's aggression South China Sea in the wake of an international tribunal ruling dismissing Beijing's 9-dash line, which lays claim to almost 90 per cent of SCS waters, will eventually spill over to East China Sea. Indeed, even before the ruling, there were signs that China was looking to test the



resolve of Japan Coast Guard. A Chinese naval frigate for the first time entered Japan's contiguous zone, which begins where the 12 nautical miles of territorial sea ends, around the Senkaku islands. This was followed within a week by a Chinese spy ship venturing into Japan's territorial sea. "Such activities are escalatory in nature but Japan has dealt with these in a calm and resolute manner," said Yasuhisa Kawamura, director-general of press in Japan's foreign ministry, adding that there was no dispute at all over the sovereignty of Senkaku islands.

Source: [timesofindia.indiatimes.com](http://timesofindia.indiatimes.com), 23 october 2016

### **San Diego to South China Sea: U.S. Navy tested new command in latest challenge to China**

The U.S. Navy destroyer that sailed near Chinese-claimed islands in the South China Sea last week was under orders from the Third Fleet headquarters in San Diego, a first aimed at bolstering U.S. maritime power in the region, two sources said. The USS Decatur on Friday challenged China's "excessive maritime claims" near the Paracel Islands, part of a string of islets, reefs and shoals over which Beijing has territorial disputes with its neighbors.

It was the first time such a freedom of navigation operation has been conducted without the Japan-based Seventh Fleet in command and was a test of changes aimed to allow the U.S. Navy to conduct maritime operations on two fronts in Asia at the same time, two sources told Reuters. The sources spoke on condition that they were not identified. Having the Third Fleet regularly command vessels in Asia, which it has not done since World War Two, means the U.S. Navy can better conduct simultaneous operations such as on the Korean peninsula and in the Philippines, said one of the sources, who is familiar with the goals of the reorganization.

"It is the first iteration of what will be a more regular operations tempo," he said. The guided-missile destroyer Decatur is part of a three-ship Surface Action Group (SAG) deployed to the South China Sea six months ago, said Commander Ryan Perry, a spokesman for the Third Fleet in San Diego, who confirmed its command role.



U.S. Pacific Fleet Commander Admiral Scott Swift last year signaled a wider role for the Third Fleet, when he said he was abolishing an administrative boundary along the international dateline that had separated the Third and Seventh fleets. Until then, Third Fleet vessels crossing the line came under Seventh Fleet command. This year, an official told Reuters more ships from the Third Fleet would be sent to East Asia.

The reorganization, giving the Third Fleet a bigger frontline role, comes as momentum for the United States' Asian "pivot" falters and as Beijing's growing assertiveness fuels tension in the South China Sea. China claims most of the sea, through which \$5 trillion in ship-borne trade passes a year. The Philippines, Vietnam, Taiwan and Brunei have overlapping claims. Beijing has accused Washington of deliberately creating tension by sailing its ships close to China's islands.

Asked about the use of the Third Fleet headquarters, Chinese Foreign Ministry spokesman Lu Kang said that if U.S. moves harmed the peace, security and stability of the Asia Pacific then China would naturally oppose them. "If U.S. moves jeopardize China's sovereign rights and security interests then China will, when all is said and done, take necessary steps in response," Lu told a daily news briefing in Beijing, without elaborating.

The latest U.S. operation, its fourth, came as new Philippine President Rodrigo Duterte traveled to China to seek deeper ties with Asia's biggest economy. This week, he visits U.S. ally Japan. The Seventh Fleet, headquartered at the Japanese port of Yokosuka near Tokyo, is the most powerful naval fleet in Asia, with some 80 ships, including the United States' only forward deployed carrier, the USS Ronald Reagan.

Source: [www.reuters.com](http://www.reuters.com), 25 october 2016

## **China warns that boycott of its goods will hurt ties, investments with India**

China on Thursday warned India that boycotting of its goods would affect ties and investments between the countries. “China is more concerned that the boycott will negatively affect Chinese enterprises to invest in India and the bilateral cooperation, which both Chinese and Indian people are not willing to see,” said Xie Liyan, spokesperson of the Chinese embassy in New Delhi. India is China’s largest trading partner in South Asia and ninth largest export market in the world.

Several groups had called for the voluntary boycott of Chinese goods this season -- fireworks made in China are a huge draw -- in protest against what they call China-Pakistan closeness. However, the ban has no official sanction. The Chinese, though, made clear that such a move will hurt India more than them. India has been seeking huge Chinese investments in its infrastructure sector. Such investments, it has long been said, will address the trade imbalance to an extent. India and China bilateral trade in 2015 was \$71.6 billion, of which close to \$50 billion is the deficit.

“The boycott effect will not be limited to Diwali related products, but extended to other Chinese products that are not related to the festival,” the embassy spokesperson said. In the long run, the boycott will not only hurt Chinese goods sale, but also cause negative effects to consumers in India, he said. “Without proper substitutes, the biggest losers of the boycott of Chinese goods will be Indian traders and consumers.” China is the world’s largest trading nation in goods; its exports in 2015 amounted to \$2276.5 billion. “The exports to India accounted for only 2% of China’s total exports,” Xie noted.

Source: [www.hindustantimes.com](http://www.hindustantimes.com), 27 october 2016

## **US Navy Deploys Green Power Vs. Oil Power in ISIL Battle**

The US Department of Defense has been a main driver of the nation’s transition to renewable energy, but so far its use of biofuel in war machines has been limited to demonstration events and exercises. Now the US Navy is gearing up to deploy its “green” ships and planes operationally. Somewhat ironically, this big step forward is

taking place in support of the fight to dislodge ISIL from the territory it holds in the Gulf region.

The irony comes in because ISIL's unique ability — unique among so-named terrorist organizations, that is — to conquer and hold territory has been fueled in part by the petrodollars it receives from oil wells in its field of influence

*One giant green step for the US Navy*

Navy LT Ian M. McConnaughey sent an email to me earlier this week with a rundown of the vessels involved in the operation. The Navy has a strike group operating in the Gulf in support of the war against ISIL, which LT McConnaughey described as the first ever “operationally-deployed strike group to implement the U.S. Navy's Great Green Fleet initiative.”

The Great Green Fleet is the Navy's showcase for biofuel, energy efficient technology, and other sustainable energy initiatives (*CleanTechnica* has covered the Great Green Fleet since its precursor, the Green Strike Group, participated in the 2012 RIMPAC exercise). With the deployment of the new strike group, the Navy has laid the groundwork for several of these initiatives.

The centerpiece of the group is the aircraft carrier USS Dwight D. Eisenhower, a 38-year-old Nimitz-class aircraft carrier. We're thinking that the choice of “Ike” to spearhead the Navy's seagoing sustainability initiatives is no accident. Eisenhower's history of World War II, Crusade in Europe, includes an observation that petroleum dependency was one of the main drivers of Hitler's military failure.

The carrier's main contribution as a showcase for new clean tech is a full makeover to energy efficient LED lighting. That sounds simple enough but this is one of the largest vessels in the Navy. It is a seagoing warren of thousands of individual spaces, each with at least one bulb and often many more. So far the lighting upgrade has taken about a year and a half, and work was still ongoing when it the carrier got under way to the Gulf earlier this year.

*Here's the breakdown from the US Navy:*

if every light 3rd deck and below was changed to an LED, it would save an average of 934,000 kWh a month. To put that in perspective, according to the U.S. Energy Information Administration, a residential American home only uses an average of 911 kWh a month. Aside from direct energy savings, the new LEDs also eliminate much of the extra heat shed by fluorescent and incandescent lights. That has a ripple effect on energy savings, especially for a ship heading into a hot climate. The LEDs help lighten the burden on cooling needed for human health and comfort, and for the cool environment required by some of the ship's sophisticated equipment. Because LEDs last much longer than conventional lighting, they also offer an important low-maintenance edge that frees up personnel for other critical tasks.

*Biofuel for Navy fighter jets*

The strike group is also doing prep work for the eventual deployment of fighter jets flying on biofuel. Another vessel in the group, the USS Mason, is ferrying more than 15,000 gallons of standard F76 equivalent jet biofuel to the Gulf. This particular blend seems designed to showcase the capabilities of source-agnostic biofuel, and it highlights the potential for using reclaimed as well as virgin sources. Some of the biofuel was rendered from used cooking oil, and some was derived from algae biomass.

The biofuel delivery also highlighted the international aspect of the Great Green Fleet. It was delivered at sea to the USS Mason by the Italian oiler Etna. The figure of 15,000 gallons may not sound like a big deal, but it is when you consider how the global biofuel market provides the US Navy with a whole new range of refueling options. Here's Navy Secretary Ray Maybus explaining the significance of the Italian refueling operation:

It's what we do. Presence. We're where we need to be and when we need to be there. We're growing our fleet and we're doing it pretty dramatically — 308 ships by 2021. We're going to have that presence. We're not changing the status quo. Not since World War II have we had a dominant Navy keep the sea lanes open for everybody, not just for us, but for every nation on this earth. That's what the United States Navy uniquely *gives America*.

Biofuel also provides the US with an opportunity to choose global alliances without the burden of petroleum supply considerations. For example, the Navy has been supporting Australia's efforts to ramp up its biofuel industry, with a focus on algae biomass (not for nothing, but I latched on to the Australia connection back in 2012 and *Bloomberg* finally got the news a couple of months ago. Just sayin'). Stay tuned for more news from LT McConnaughey as the strike group performs its duties in the Gulf. The Navy has also been aggressively pursuing sustainable energy opportunities at its land facilities.

Source: [cleantechnica.com](http://cleantechnica.com) 27 October 2016

### **Revival of Colombo Port city project: Implications for India**

-Anjelina Patrick

The Colombo Port City Project is a significant and arguably among Sri Lanka's most controversial infrastructure projects. Initiated by the former President Mahinda Rajapaksa with a vision to rejuvenate Sri Lanka's stagnant economy, the project is worth about \$1.4 billion. The Chinese President Xi Jinping and former Sri Lankan President Rajapaksa officially launched the port project in September 2014.

Soon after Maithripala Sirisena became President in January 2015, however, he suspended the contract in March 2015, citing various shortcomings, irregularities and ecological issues. But this suspension was temporary in nature, and the project was revived in March 2016. The project has, nonetheless, raised questions on the Sirisena government's probity, which came to power questioning the huge investment by the Chinese in Sri Lanka, which he argued would lead to an avoidable dependence on China. This issue brief aims to review the contested developments relating to the Colombo port project. It also attempts to analyse the growing strategic relations between Sri Lanka and China, and its implications for India.

The project envisaged a mega city in Colombo, to be built on reclaimed land adjacent to the Galle Face Green, where 182 hectares of existing of land has been allotted. The Colombo Port City is portrayed as an iconic business district with shopping and water-sports areas, a mini golf-course, hotels, apartments, recreation areas and a luxury yacht marina. It was initially planned to be built over 233 hectares, which has now been expanded to 269 hectares after reclamation.

On 6 March 2015, the project was suspended by the Sirisena government, citing allegations of corruption against the Rajapaksa Administration, and the absence of a feasibility study before the contract was awarded. During this period, the Chinese company incurred a daily direct loss of \$ 380,000. The suspension also led to direct and indirect adverse effects on the on-site workers, both Chinese and Sri Lankans. Despite ecological concerns and allegations of corruption, in March 2016, the government resumed the port project, signifying its importance for Sri Lankan economy.

The port project has now been renamed the ‘Colombo International Financial City’. The Sri Lanka government has stated that it would be transformed into an international financial hub in the Indian Ocean Region (IOR). On 12 August 2016, a Tripartite Agreement was signed by the Sri Lankan government, its Urban Development Authority (UDA) and the Chinese firm CHEC Port City Colombo Pvt. Ltd.

### *Sri Lanka's Stakes*

The project is significant for Sri Lanka as it seeks huge Chinese investment. The Rajapaksa Administration had a more pronounced pro-China tilt, whereas the new Sirisena government rose to power promising a re-evaluation of Chinese investment in the country. Since January 2015, the new government has sought a more nuanced foreign policy to resurrect the imbalance caused by the preceding government in the fragile India- Sri Lanka ties. This began with suspension of the port project and cancellation of various Chinese tenders on highways, ports and airports. The current administration realizes its predicament of inviting huge Chinese investments, but is helpless in this regard since such large investments are not easily forthcoming from

elsewhere. Notwithstanding the revival of the project, there are at least four concerns associated with it.

*(a) Land Ownership Issues*

The Rajapaksa Administration promised the Chinese company free-hold rights on 20 hectares of land. Due to the controversial nature of this stipulation, the Sri Lankan government has instead agreed to provide the land on a 99 year-lease. In the new agreement, reclaimed land will be notified by a Presidential gazette under the Lands Ordinance and thereafter, allocated to the UDA.

*(b) Environmental Impact.*

The Rajapaksa administration did not undertake any comprehensive Environmental Impact Assessment (EIA) of the project prior to its approval. Activists have been highlighting the serious environmental implications of the project, especially with regard to massive granite extraction and land reclamation.

The demand for granite on the construction site has resulted in large-scale exploitation by mine owners. This has led to falling ground-water levels in the area, posing serious water shortages for the island nation. On a larger scale, reclamation and extraction are destabilizing the ecology of the region, leading to increasing natural disasters in sensitive areas.<sup>5</sup> However, the Sirisena administration has not yet addressed these environmental issues and has chosen to continue with the project.

*(c) Impact on Fishermen.*

In 2007, the Rajapaksa administration promised 1,000,000 Sri Lankan rupees each to the fishermen affected by the project, but later failed to fulfill its commitment. The project has led to large-scale displacement of the fishermen community. The large amount of sand dredged in the reclamation process is becoming a major concern for fishermen using primitive methods of fishing, which is usually undertaken in shallower waters. After the revival, the project company has promised to allocate 500 million Sri Lankan rupees towards the fishermen's income support programme through the government of Sri Lanka.

The claim of \$125 million as compensation by the Chinese company, for losses incurred during the suspension period of more than a year, was later withdrawn. This was done keeping in mind the significance of the project. The Sri Lankan Cabinet in turn has approved allocation of additional two hectares of land to the Chinese company to reciprocate the complete waiver of all compensation claims by the Chinese.

The Sirisena administration suspended the port project in an effort to move away from the previous government's tilt towards China. The suspension, however, could last only a year. The revival of the project signifies Sri Lanka's desperate need for investments, and its inherent dependence on China. Clearly, therefore, Colombo cannot afford to alienate Beijing.

It is pertinent to mention that the Chinese Ambassador to Sri Lanka, Yi Xianliang sought to address the apprehensions of the local Sri Lankan people over Colombo and Hambantota port projects by stating that "when these projects reach fruition, Sri Lankans will know who their real friends are."

#### *China's Stakes in Sri Lanka*

The Indian Ocean is an important arena for trade and energy flows, accounting for half of the world's container traffic and 70 per cent of its energy shipments.<sup>7</sup> The energy requirements of the world will rise by 50 per cent by 2030, and almost half of that will come from India and China, making it a strategically important water body.<sup>8</sup> Due to its heavy dependence on Indian Ocean sea routes for trade and energy supplies, China has made substantial financial investment in India's maritime neighbours like Bangladesh, Maldives, Pakistan, Myanmar and Sri Lanka.

The 'One Belt and One Road' (OBOR) is one such initiative by China that has significant geostrategic and geo-economic connotations. The maritime dimension of the project consists of a network of ports and other coastal infrastructure from China's eastern sea board through Southeast Asia, South Asia, the Persian Gulf, East Africa and the Mediterranean Sea.<sup>9</sup> Through OBOR, China seeks to strengthen its economic and strategic relations with Sri Lanka and IOR littorals, which are geo-strategically located along the International Shipping Lanes (ISL) linking East Asia with Europe.



China has been developing maritime infrastructure in several Indian Ocean countries such as Bangladesh, Maldives, Myanmar, Pakistan and Sri Lanka. The infrastructure projects in these littoral countries are rightfully stated by China to be for 'economic' ends, but their dual-use nature could, at least potentially, enhance its military-strategic presence in the IOR. China may even try to set up more such facilities such as the one in Djibouti for providing maintenance and resupply facilities to its naval ships on escort missions.<sup>10</sup> The docking of Chinese submarines in September and November 2014 at Colombo port amply showcases China's intent for an enhanced naval presence in the IOR.

### *Implications for India*

The Colombo port project, while being of significant economic importance to Sri Lanka, has severe political ramifications for India-Sri Lanka bilateral relations. The Rajapaksa government had an overt pro-China tilt, which the Sirisena government has tried to rectify to balance its relations between India and China. While the termination of the project in March 2015 indicated Sirisena government's commitment to the cause, its subsequent revival has shown that economic advantages of the project far outweigh the political consequences for the Sri Lankan government. Notwithstanding this, the Sirisena government has attempted to mollify India's apprehensions by assuring Prime Minister Modi that India's concerns would be addressed. The Sri Lankan government has also altered the earlier provision of 'free-hold' land to China, into a 99-year lease. While these measures may have quelled some of India's concerns, there is little doubt that the revival of this project has somewhat dented the bonhomie between India and Sri Lanka.

The increasing Chinese strategic presence in the Indian Ocean has raised security concerns for India, especially in its immediate neighbourhood of Sri Lanka. There is a growing concern that the ports developed for commercial use by China could later serve military and strategic purposes, with significant security implications for India.

The revival of the Colombo port city project has notable economic implications for India as well. If India has to mitigate the geo-political effects of Chinese investment in the region, it has to significantly increase its foreign aid and investment in neighboring countries. Moreover, Colombo already acts as a transshipment port for Indian goods.

This raises questions on the economic viability of the proposed deep-water port at Vizhinjam in Kerala, as it would have to directly compete with Colombo and would be somewhat disadvantaged by geography in doing so. These factors make it important for India to recalibrate its policies in the region so as to combine economic growth with diplomatic success.

The questions on impact of the Colombo port project on surrounding ecology and environment still remain largely unanswered. The effects are bound to be felt by India too. Extensive mining for granite, reclamation of land and dredging have altered ocean current patterns in the region, putting the entire local marine ecosystem to risk. The long-term environmental impacts of the project will require to be studied with a view to mitigating its negative effects on the coastal population of southern India.

### *Conclusion*

The renewal of the Colombo port project highlights its economic importance to Sri Lanka and has led to a new phase in Sri Lanka – China relations. This has come about despite continuous petitions from the Sri Lankan fishermen community and concerns raised by environmental activists.

China's investment outreach the regional countries through initiatives such as the 'Maritime Silk Road' are raising concerns in India. Apart from creating a security dilemma, they also pose economic and environmental concerns for India. To offset these concerns, it is essential for India to recalibrate its strategy towards its immediate neighbours to achieve a favourable end-state.

Source: [www.maritimeindia.org](http://www.maritimeindia.org), 27 october 2016