



MAKING WAVES

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Acknowledgement: 'Making Waves' is a compilation of maritime news and news analyses drawn from national and international online sources. Drawn directly from original sources, minor editorial amendments are made by specialists on maritime affairs. It is intended for academic research, and not for commercial use. NMF expresses its gratitude to all sources of information, which are cited in this publication.



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Russian Marines, Indian Commandos Preparing for Anti-Piracy Stage of Navy Drills

MOSCOW (Sputnik) – Indian Special Forces and Russian Pacific Fleet Marines have discussed the actions for the upcoming anti-piracy stage of the joint Russian-Indian naval exercises, Indra Navy 2016, spokesman for the Russian Defense Ministry's Eastern Military District Vladimir Matveev said Sunday. He added that the sides exchanged their experience regarding operations in the Gulf of Aden.

"Today [Sunday], at the headquarters of the Eastern Fleet of the Indian Navy in the city of Visakhapatnam, a joint meeting of representatives of the Indian Special Forces Command and the Command of the Russian Pacific Fleet Marine units took place. During the meeting the sides discussed the issues of the upcoming search operation under the framework of the upcoming anti-piracy stage of the active phase of the Indra Navy 2016 exercise," Matveev said.

Indra Navy 2016 drills are being held in the Bay of Bengal through December 14-21. This year, some 500 servicemen are set to be engaged in the drills, according to the Russian Defense Ministry. The first joint Russian-Indian naval drills were held in 2003. The exercises were also held in 2007, 2014 and 2015.

Source: sputniknews.com, 18 December 2016

Japan, Indonesia to cooperate on Maritime Security

TOKYO - Japan and Indonesia agreed Wednesday to cooperate on maritime security at a time when both countries are embroiled in sea rows with China. Beijing asserts sovereignty over almost all of the resource-rich South China Sea, despite rival claims from Southeast Asian neighbours. Indonesia has no dispute with China over ownership of reefs or islets. But China's expansive claims overlap with Indonesia's exclusive economic zone -- waters where a state has the right to exploit resources -- around the Natunas, a remote scattering of islands with rich fishing grounds.

In June, Indonesian President Joko Widodo toured the islands on a warship, in a move seen sending a strong message to Beijing to respect his country's sovereignty. In Tokyo, Indonesia's coordinating minister for maritime affairs Luhut Panjaitan and Japanese Foreign Minister Fumio Kishida met to exchange documents to launch the cooperation framework, including in maritime security and economic development in remote islets. "Japan highly values cooperation with Indonesia in maritime affairs," Kishida told Panjaitan. The agreement is aimed at helping Indonesia strengthen its capacity in maritime security and promote economic development of remote islands, a foreign ministry official told AFP. Australia has earlier said it is considering joint patrols with Indonesia in the South China Sea.

Japan, which has a territorial row with China over disputed islands in the East China Sea, has worked to strengthen ties with members of the Association of Southeast Asian Nations, repeatedly stressing maritime disputes should be addressed according to law. The Philippines took China to The Hague-based Permanent Court of Arbitration, which ruled in July there was no legal basis to China's claims -- a verdict Beijing vehemently dismissed.

Source: www.nationmultimedia.com, 21 December 2016

RMN to build another fleet in Sepanggar, increase Maritime Security

KOTA KINABALU: The Royal Malaysian Navy (RMN) is in the process of restructuring its fleet by building another one based in Sepanggar near here, hence enabling it to have two fleets operating by next year. RMN Chief Tan Sri Ahmad Kamarulzaman Ahmad Badaruddin said building of the new fleet in Sepanggar was in line with the government's commitment to ensuring a high-level of security in the national waters, especially in Sabah and Sarawak. "It will enable the RMN to have two fleets - the east fleet and the west fleet. At present, the RMN only has one fleet based in Lumut, Perak." "The new one based in Sepanggar will be responsible for the maritime security of Sabah and Sarawak. it will be implemented next year ... and we will have two fleets," he said.

Ahmad Kamarulzaman said this to reporters after officiating the decommissioning ceremony of the Royal Tugboat (KTD) Kepah at the RMN Sepanggar Base Jetty near here today. Meanwhile, Ahmad Kamarulzaman said the RMN was also planning to set

up the Region 4 Naval Base in Bintulu next year, and had already identified a suitable location for it."We are confident we will be able to set up Region 4 Naval Base in Bintulu by next year. We will be looking at optimising the current infrastructure in Bintulu (Port)."So, we are looking at a collaboration with relevant agencies without having to spend too much money building a new base," he said.On the KTD Kepah, he said the decommissioning marked the start of the RMN Transformation Plan 15-5 in the effort to cut costs by reducing the number of ship classes from 15 to five, as well as old ships which required a high maintenance cost.Ahmad Kamarulzaman said the KTD Kepah had been in service for 36 years and had been skippered by 27 Commanding Officers, contributing much to its marine operations. — Bernama

Source: www.thesundaily.my, 21 December 2016

Militancy: Ship Owners Lose N2.3trn To Foreign Insurance Firms Yearly

Foreign and local Ship-owners as well as charterers entering Nigerian territorial and coastal waters are paying a whopping N2.3trillion annually to foreign insurance companies for operating on the country's waters, LEADERSHIP Weekend has exclusively gathered. Each of the 5,000 vessels calling at Nigerian Ports annually, it was learnt, is made to pay \$100,000 as insurance premium tagged 'War Risk' on ships coming to Nigerian waters.

To this end, the ship-owners both local and foreign ones pay over N2.3trillion (using N465 exchange rate to calculate) to insure their ships against any attack on a yearly basis, a development the ship owners are complaining bitterly about. Inside sources in the insurance industry disclosed that the ship-owners are made to pay as much as \$100,000 dollars amounting to N45.5 million as war risk, not because the country is fighting war, but because of the resurgence of militancy in the South-South region and the activities of Boko Haram in the North-Eastern part of the country.And with the cost of replacing a damaged vessel amounting to billions of Naira, insurance experts said this charge is considerate, taking into consideration the current economic reality.

Currently, only few local insurance companies have the needed capacity to underwrite marine risks; hence, most marine insurances, especially as regards ship insurances, are always ceded abroad. In some cases, however, this business is being

shared between the local insurers and foreign insurers, even though the foreign insurers retain the highest risks and premiums. Because of low capacity of most underwriters in the country, the insurance industry is losing about N2 trillion on a yearly basis to these foreign insurers.

Currently, the total premium income of insurance industry is still around N300 billion, while industry watchers believe that if the insurance industry could retain most of the N2 trillion, the sector would have the capacity to contribute meaningfully to the country's GDP and economic development. Speaking on this development, a former Executive Secretary/ Chief Executive Officer of Nigerian Shippers' Council (NSC), Capt. Adamu Biu lamented tagging Nigeria as war risk when it was not in a war situation.

According to him, apart from the fact that it is a serious embarrassment to the country, tagging Nigeria war risk fuels inflation in the country. Biu said, "The threat to life and property is a serious challenge to any industry. Security of our waterways is a phenomenon that must be addressed decisively and urgently if foreign participation is to be expected in our shipping industry." Presently, ship-owners and charterers are made to pay insurance premium of up to \$100,000 per vessel's call to any Nigerian port. It is called 'War Risk'. This is a serious embarrassment to the nation as we are not at war. It also adds to inflation in the country as Shipowners simply find a way to pass this bill to the cargo interest

Also, speaking, a former Ship captain and former President of the National Association of Merchant Navy and Water Transport Senior Staff Association, Thomas Kemewerigha, described the South region as the most notorious, even as he called for proper policing of the water channels. He said the fear of kidnapping has chased away local fishing trawlers and other seafarers, urging the Navy to rise up to its duties. "Now that seafarers are scared to venture into Nigerian waters, the economy is affected and jobs are lost regularly. Revenues accruable to the government is reduced because import is also reduced. The multiplier effect is much," he added.

However, maritime experts said the notoriety of Nigerian waters spells doom for the country which, if left unchecked, may compel international maritime organizations to label Nigeria as war risk or high risk nation despite the fact that there is no war in the country. The direct effect of this is astronomical increase in cost of imports because only fewer vessels will have the courage to come and their calling at any Nigerian port, especially in the South region, will come with scathing fees. Analysts

also say the development would hurt the nation's economy because reduced imports without matching local production would be unpalatable for an import dependent economy like Nigeria.

Source: eadership.ng, 24 December 2016

As poor dredging of Calabar port cost shippers N100bn annually

Meanwhile, shippers in the North Eastern and South Eastern part of Nigeria are spending over N100 billion annually on freight cost due to the non-viability of Calabar port which is expected to serve the areas, LEADERSHIP Weekend can authoritatively report. The dredging of the shallow channel of Calabar port had been enmeshed in controversies, with over \$56million spent to dredge the shallow draft and channel of the port to receive bigger vessels, all to no avail. Findings by our correspondent reveal that since the Calabar port has remained unviable, business owners at the commercial nerve centre of Aba, Onitsha, Owerri and Enugu import their cargoes through the Western Ports in Lagos -Apapa and Tin Can for upward movement to the South East. But shippers from the North-Eastern part of the country who are supposed to make use of the Calabar port to import their consignments are being forced to use the Lagos ports, which attracts more freight cost for them as truck operators charge exorbitant amount to move containers from Lagos ports to the areas. Investigation by this paper shows that trucking of a 40ft container from Lagos ports to the North-Eastern part of the country cost between N500,000 to N600,000, while trucking of same to the South-East cost N200,000 to N300,000 respectively.

According to the Lagos state Vice Chairman, National Association of Road Transport Owners (NARTO) Dry cargo, Abdulahi Muhammad Inuwa, 200 container-laden trucks leave the Lagos ports daily for the South East- Anambra, Ebonyi, Enugu, Abia and Imo state- for delivery of cargoes. According to him, the average amount charged by truck owners to move containers from Lagos to Aba or Onitsha ranges from N200,000 to N250,000 per trip, while an average of N300,000 are being charged on trucks to Owerri, Enugu and Abakaliki.

On the North-East route, he said over 400 containers- laden trucks leave the Western Ports for Bauchi, Taraba, Yola, Gombe, Yobe and Maiduguri daily. He also

disclosed that truck owners charge between N450,000 to N600,000. Corroborating the NARTO Executive, the President, Association of Maritime Truck Owners (AMATO), Chief RemiOgungbemi said the weight and types of cargo determine the amount to be charged for movement of cargoes to the Eastern part of the country. He however stated that moving cargoes ranges from N230,000 to N260,000. The Chairman of the Nigeria Ports Consultative Council (NPPC), OtunbaKunleFolarin said the Calabar port was established to service produce from the Eastern part of the country. Speaking exclusively to our correspondent, OtunbaFolarin said no containers vessel can berth at the Calabar port with the present depth of the berth and channel, adding that the shallow draft does not allowed traffic to the port because of the depth of the berth and channel. "The port is constrained because of the depth of the berth and channel as a way to getting traffic to the ports. If there are no ships berthing at the port, it will not be viable. With the current depth, only ships of 3000 tons will call at the port and no one can expect a container ship of 13 meters to come there; only ship of 6 meters can come there now," he said.

The President, Shippers Association of Cross River State, Mike Ogodo also confirmed that port was supposed to serve the North Eastern and the South-Eastern part of the country but has been left completely redundant due to its shallow draft and channel. Ogodo said no schedule liner vessel call at the port, stressing that this had been a drain in the pocket of its members as they have to import through Lagos ports and pay heavy freight cost on road haulage to move their consignments to their respective destinations. His words: "There is no scheduled commercial liner coming to Calabar port except people who charter smaller boats to bring in their goods; regular shipping activities are non-existent in Calabar port. Container vessels don't come here; this has been affecting us negatively. Our members have to bring their consignments through Lagos ports and truck it through the road." According to him, the amount used to bring consignment through trucks to Calabar, Southeast is completely avoidable. The Managing Director of Nigerian Ports Authority (NPA), MsHadizaBalaUsman acknowledged the closeness of the Calabar port to the North-Eastern part of the country and the need to open the trade route. Speaking recently while on an assessment of the Calabar port, she also identified shallow draft and channel as the bane of the Calabar port. She said, "I believe the most critical issue with Calabar Port is the issue of dredging to increase the draft and accommodate bigger vessels. We also identified the need for us to jointly work to bring commercial activity to the area. We note the position of the port as very strategic as it relates to the Gulf of Guinea where there are lots of trade that can be harnessed upon." "We have spoken to the Cross Rivers State Government to help generate and improve

techniques that will promote trade. We also noted that Calabar Port is one of the ports closest to the North-East region of Nigeria. It is important for us to open that route and revive businesses there. "There are export potentials in the North-Eastern part of the country and this could be done through the Calabar Port. We are reaching out to other organs like the Federal Ministry of Works, Ministry of Trade and Commerce to ensure this trade route from Calabar to the North East is revitalized".

Also, the chairman, NPA, Emmanuel Adesoye said the federal government plans to dredge the Calabar port to enable large vessels berth and do business. Addressing journalists in Calabar recently, he said, "We have seen most of these facilities. They are excellent facilities. They are opportunities waiting to be tapped. We know that these are areas that can really help Nigeria in terms of incomes, especially foreign currencies, if properly developed. There are also challenges. For example, the one we see is the draft situation in this area. It is a little bit shallow; we need to do a lot of dredging."

Source: leadership.ng, 24 December 2016

Make in India: Manohar Parrikar approves manufacture of six indigenous Coast Guard surveillance planes

In a boost to Make in India in military sector, defence minister Manohar Parrikar has cleared a proposal to develop six indigenous surveillance planes for the coast guard. Hitting two birds with one stone for Make in India, the planes to be used for the project would be the C-295 transport aircraft to be built by Tata-Airbus consortium. This would help in increasing the order for the Avro aircraft replacements being built for the Indian Air Force. "The air force wants 56 planes for replacing their fleet of Avro planes and the coast guard order would take it to 62," defence sources told Mail Today.

This would also help in bringing down the cost of the Tata-Airbus jointly manufactured plane due to increase in numbers, they said. Giving details of the project, defence ministry officials said, "The Defence Acquisition Council cleared the deal worth over Rs 5,500 crore and once developed by the DRDO, they will be known as multimission maritime reconnaissance aircraft for the coast guard." "The Defence Research and Development Organisation (DRDO) will design and develop state of art mission suite for these aircrafts. The suite comprises advanced electronic systems," the officials said. The sensor suite would be suited for Coast Guard specific missions

as they would be able to detect oil spills also as the force is mandated to tackle sea pollution as well.

The planes would be fitted with sensors to scan deep across the maritime boundaries with Pakistan and would also be built to detect any suspicious movement towards Indian waters."This would help in preventing incidents like that of 26/11, where terrorists had boarded an Indian boat, MV Kuber and attacked Mumbai for three days," they said.The case for P-8I aircraft being used by navy was also being pushed for the coast guard. However, it chose the indigenous option as it felt its requirements could be fulfilled by the DRDO.

Once completed, the DRDO would also look into the possibility of exporting thematic surveillance aircraft to friendly foreign countries.Coast Guard has been going indigenous way in modernising its aviation wing as it is also buying 16 advanced light helicopters for ship-borne operations.It is also in the final stages of buying 14 EC-725 medium weight choppers from Airbus as part of its shore-based fleet to carry out surveillance and search and rescue missions there.The hub for the Coast Guard choppers would be set up in Goa, where the original equipment manufacturer would maintain the fleet.

Source: indiatoday.intoday.in, 26 December 2016

Pakistan apprehends 36 Fishermen, 6 boats off Gujarat Coast

Pakistan Maritime Security Agency (PMSA) apprehended 36 fishermen and seized six boats in the Arabian sea off Jakhau coast in Gujarat on Wednesday, National Fisherworkers' Forum (NFF) said. PMSA apprehended the fishermen near the International Maritime Boundary Line (IMBL), NFF secretary Manish Lodhari told PTI."We have learnt that 36 fishermen on six fishing boats were apprehended by Pakistani agency near Jakhau coast today. Three of these boats had set out from Porbandar while other three are registered in Okha," Lodhari said. It was feared that PMSA might have captured some more fishermen and seized their boats during the operation, he added.The development comes just days after Pakistan released 220 Indian fishermen, mostly from Gujarat, arrested about a year ago, for allegedly entering Pakistani waters.

Source: indianexpress.com, 28 December 2016

Indonesia Needs to Step up Its Fight Against Maritime Piracy

Indonesia's maritime sector gained a boost when on December 21, Coordinating Minister for Maritime Affairs Luhut Binsar Panjaitan agreed to cooperate with Japan, establishing the strategic bilateral Indonesia-Japan Maritime Forum (IJMF). The two countries agreed to collaborate in the field of maritime security, maritime economy, maritime infrastructure, as well as maritime education and training, as *The Jakarta Post* has put it. Seeking strategic cooperation in the maritime and industrial sectors, Luhut invited Japan to contribute to the development of fish markets in Natuna Besar and the energy sector in East Natuna. Furthermore, he hopes that Japan would be interested in constructing a strategic port in Sabang, as well as urging the Maritime Security Board to work with the Japanese on smuggling issues and cleaning up the ocean. Though the agreement signifies strategic bilateral security cooperation between Indonesia and Japan in terms of smuggling prevention, it appears to neglect a growing transnational maritime threat in Southeast Asia: maritime piracy, incidents of which have mostly occurred in Indonesian waters.

In Southeast Asia, according to a report from a private intelligence agency Dryad, piracy has increased by 22 percent compared to 2014. From 1995 to 2013, Southeast Asia was responsible for 40 percent of the total piracy in the world due to many strategic areas to be opportunistically plundered, particularly in the shipping lanes from the Strait of Malacca to the Singapore Straits and off to the South China Sea. In the case of Indonesia, according to the report from the ICC-IMB that I have compiled in my chapter of a book entitled *Reformasi Tata Kelola Keamanan Maritim di Era Presiden Joko Widodo*, published by Coordinating Ministry for Maritime Affairs, a substantial number of piracy and armed robbery attacks took place in most major Indonesian ports.

Another missing concern of Indonesia's bilateral diplomatic engagement is the lack of success to carry out maritime diplomacy as one of the essential elements of the global maritime fulcrum doctrine. The unwillingness of the head of the Indonesian Maritime Security Board, Vice Admiral Arie Soedewo, to recognize maritime piracy as a plausible threat in Indonesian waters (or even more broadly in Southeast Asia) was reflected in the recent deal with Japan. At this point, it poses a serious question as to the Maritime Security Board's functional role within Indonesia's maritime security domain. Indonesia must strengthen maritime security cooperation through active diplomacy. According to its capacity as a middle-power country, Indonesia should maximize its bargaining position at least in particular fields of interest.

Indonesia should actively strengthen maritime security cooperation through bilateral and multilateral channels as a preventative measure, not only reacting when significant threats arise (as, for example, in the case of the establishment of trilateral cooperation with Malaysia and the Philippines after Abu Sayyaf's kidnappings). Although, as the Japan deal shows, Indonesia is likely to focus more on developing the potential of maritime industries and services without any strategic measures on maritime security, both elements are prominent, and indeed inter-related.

Maritime security, as a vital part of becoming a global maritime fulcrum, should not be neglected for two crucial reasons. First, if piracy and armed attacks against ships cannot be forestalled by Indonesia's coast guard and navy, it would potentially cause harm to the development of the maritime industry and service sectors. A lack of maritime security along the shipping lanes and ports in Indonesia would be a determinant factor for shipping companies weighing whether to involve Indonesia as a transit point.

Second, vulnerability to piracy may threaten the image of Indonesia as a maritime nation. If Indonesia is able to open up to receiving others' contributions in the maritime industry sector, Indonesia will also need to respond to and prevent current and future maritime security challenges.

Source: thediplomat.com, 29 December 2016



Malabar 2017: India, Japan, US expand format for Naval Drill

India, Japan and the US are to engage themselves in "bigger" and "more complex" naval exercises when the three countries come together in the Indian Ocean for the 21st edition of the Malabar exercise - Malabar 2017 - next year. The three navies will focus on "anti-submarine warfare" and deploy "different machines" during the next round of the Malabar exercise, amidst increasing presence of Chinese underwater vessels in the strategic Indian Ocean region. "We want to (use) different machines especially now that India flies the P8I (Poseidon). We fly the P8A," Commander of the US Seventh Fleet, Vice Admiral Joseph P Aucoin said. "I would like those two-aircraft working together and to hunt submarines. So, anti-submarine warfare is one area which I think would be very beneficial. So, I am looking forward to that in Malabar," he told reporters in New Delhi.

The exercise assumes significance at a time when China has become more assertive, and their submarines forays in the Indian Ocean region have increased. Vice Admiral Aucoin met Indian Navy Chief Admiral Sunil Lanba and other senior officers to chalk out the dates and strategy of the exercise, likely to be held after the monsoon. The US commander, who spoke on a number of issues, said he was looking forward to the implementation of the Logistics Exchange Memorandum of Agreement (LEMOA) between India and the US. He said the implementation of LEMOA may take some more time, but hoped that within a couple of years, it would be clear what possibilities are there. The US has shared its "points of contact" - the details of designated officials to whom the US military would have to send its request for logistics support under LEMOA - but India is yet to share the list. The US commander also spoke out against militarisation of the strategic South China Sea region, through which an annual trade of \$5 billion flows. He termed the situation in the region "dynamic" and asked countries to desist from aggressive land reclamation.

Source: www.domain-b.com, 17 December 2016

Pakistan Navy launches live missile from Arabian Sea

The frontline combat unit of Pakistan Navy on Wednesday undertook live missile firing along the North Arabian Sea, *Radio Pakistan* reported. Chief of Naval Staff Admiral Muhammad Zakaullah witnessed the launch of surface to surface anti-ship missile from sword class frigate PNS ASLAT. The missile successfully destroyed its intended target with pinpoint accuracy.

Pakistan test-fires Babur cruise missile

Speaking on the occasion, Admiral Zakaullah expressed satisfaction on the operational preparedness of Pakistan Navy fleet. “Live missile firing reaffirms credibility of deterrence at sea and reassures Pakistan Navy’s commitment to safeguard its maritime frontiers against all threats,” he said. Last week, Pakistan conducted a successful test of an enhanced version of the indigenously-developed Babur cruise missile.

Babur weapons system version II incorporates advanced aerodynamics and avionics that can strike targets both at land and sea with high accuracy at a range of 700 kilometres. It is a low flying, terrain hugging missile, which carries certain stealth features and is capable of carrying various types of warheads, according to a press statement.

Navy acquires third Fast Attack Missile Craft

The missile is equipped with state-of-the-art navigational technologies of Terrain Contour Matching (Tercom) and all-time Digital Scene Matching and Area Correlation (DSMAC) which enables it to engage various types of targets with pinpoint accuracy even in the absence of GPS navigation. Babur weapons system is an important force multiplier for Pakistan’s strategic defence.

Source: tribune.com.pk, 21 December 2016

Indian Navy receives 12th Car Nicobar-class patrol vessel

The Indian Navy has taken delivery of its 12th Car Nicobar-class patrol vessel from Garden Reach Shipbuilders & Engineers (GRSE). The boat, which will be the future INS *Tillanchang* with pennant number T 92, was handed over on 21 December at GRSE's facilities in Kolkata. The platform is part of a four-ship programme, known locally as the 'follow on waterjet fast attack craft' (FOWJFAC), which aims to equip the Indian Navy with an improved variant of earlier Car Nicobar-class patrol boats that were commissioned between 2009 and 2011. The 320-tonne vessel is powered by three MTU 4000 series engines, and propelled by three Hamilton waterjets, giving it a top speed of 35 kt, and a standard range of 2,000 n miles at 13 kt.

Source: www.janes.com, 23 December 2016

China's aircraft carrier carries out fighter drills on open Seas

China's military says its first aircraft carrier group has carried out a series of fighter launch, recovery and air combat exercises in the Yellow Sea ahead of a scheduled voyage farther afield. The Defense Ministry announced late Friday that the Liaoning carrier group conducted the drills in the Yellow Sea in recent days, adding that the group "as a next step will conduct scheduled cross-sea training and tests." The ministry did not specify its destination, but its "cross-sea" wording has prompted speculation in the Chinese media that the warships could soon sail to the contested South China Sea. The state-run Global Times newspaper quoted a well-known military analyst on Saturday as saying that the South China Sea would be an "ideal" next location because joint exercises could involve with troops on reefs controlled by China.

The growing capabilities of the carrier group and its movements have been closely watched since the Liaoning was declared combat-ready last month. Tensions have mounted in the South China Sea, where the U.S. and China accuse each other of engaging in a dangerous military buildup. China claims nearly all of the sea and is pitted against smaller neighbors in multiple disputes over islands, coral reefs and lagoons. The U.S.-based Asia Maritime Transparency Initiative think tank said this month that satellite imagery showed China building large anti-aircraft guns on

artificial islands in the contested waters, where China has also laid airstrips, built communications facilities and deployed suspected missiles.

China has characterized its moves as defensive in nature and accused U.S. warships of making provocative passes through the region. The Liaoning, commissioned by the Chinese navy in 2012, first sailed to the South China Sea in 2013, when it docked at a navy base near the Chinese holiday resort of Sanya. The vessel at the time was not outfitted with a full aircraft complement. The Liaoning carried out its first live-fire exercise last week, with the military releasing video footage that showed Chinese J-15 fighters launching missiles and hitting targets. State broadcaster China Central Television on Saturday showed footage of the Liaoning launching a large contingent of J-15 fighters. The navy's top commander, Adm. Wu Shengli, was shown onboard watching the exercises.

Beijing has said the carrier, built from an incomplete hull from Ukraine, would be used mostly for training and research as it prepares to deploy its first home-grown carrier, but it is widely viewed by analysts as a strategic piece in China's increasingly assertive claims in the South China Sea.

Source: abcnews.go.com, 24 December 2016

Taiwan: Chinese aircraft carrier passes south of island

TAIPEI: A group of Chinese warships lead by the country's sole aircraft carrier has passed through waters south of Taiwan and is heading southwest, Taiwan's defence ministry said on Monday of what China has termed a routine exercise. The ministry said the aircraft carrier the Liaoning, accompanied by five other vessels, had passed 90 nautical miles south of Taiwan's southernmost point on Monday morning via the Bashi Channel, between Taiwan and the Philippines. "Staying vigilant and flexible has always been the normal method of maintaining airspace security," said ministry spokesman Chen Chung-chi, declining to say whether Taiwanese fighter jets were scrambled or if submarines had been deployed.

Chen said the ministry was continuing to "monitor and grasp the situation". The exercise comes amid renewed tension over self-ruled Taiwan, which Beijing claims as its own, following US President-elect Donald Trump's telephone call with

the island's president that upset Beijing. Senior Taiwan opposition Nationalist lawmaker Johnny Chiang said the Liaoning exercise was China's signal to the United States that it has broken through the "first island chain", an area that includes Japan's Ryukyu Islands and Taiwan.

In Beijing, influential state-run tabloid the Global Times said the exercise showed how the carrier was improving its combat capabilities and that it should now sail even further afield. "The Chinese fleet will cruise to the Eastern Pacific sooner or later. When China's aircraft carrier fleet appears in offshore areas of the US one day, it will trigger intense thinking about maritime rules," the newspaper said in an editorial. China has been angered recently by US naval patrols near islands that China claims in the South China Sea. This month, a Chinese navy ship seized a US underwater drone in the South China Sea. China later returned it. Japan said late on Sunday it had spotted six Chinese naval vessels including the Liaoning travelling through the passage between Miyako and Okinawa and into the Pacific. Japan's top government spokesperson said on Monday the voyage showed China's expanding military capability and Japan was closely monitoring it.

Source: timesofindia.indiatimes.com, 26 December 2016

Malabar naval exercise aimed at PLA submarines in South China Sea: Chinese media

BELJING: The Malabar naval exercise involving the Indian, US and Japanese navies is designed to "target" China's submarines in the East and South China Seas and to back America's Asia-Pacific rebalance strategy, a Chinese media report claimed today. "Such a large-scale military exercise was obviously designed to target China's submarine activities in the East and South China Seas in recent years, promote the US rebalance to the Asia-Pacific and cement the US presence in the region," an article in state-run Global Times said. "Washington brought New Delhi and Tokyo into the exercise to relieve its pressure due to overstretched military presence around the globe and tighten its grip on the Asia-Pacific region," the article said. Highlighting comments by Vice Admiral Joseph P Aucoin, commander of the US Seventh Fleet stating that India, Japan and the US are set to focus their next round of Malabar exercise on anti-submarine warfare, it said the drills aimed at jeopardising peace in the East China Sea region "so as to distract China's attention from the South China Sea and disturb the political landscape in the Asia-Pacific".

The Malabar exercise started in 1992 with the navies of US and India in the Indian Ocean. Since Japan joined in 2007, it has alternated between the West Pacific and the Indian Ocean.

In June, the three countries held their largest-ever joint exercise which involved 11 vessels and 8,000 personnel. The article said Japan wants to become a permanent member of the exercise to enhance its military cooperation with the US and find a solution to its dispute with China over islands in the East China Sea. "India hoped to enhance the anti-submarine capability of its navy that has tracked at least six Chinese submarines in the Indian Ocean region," it said quoting reports, adding "India also wants to disrupt China's military deployment in the East China Sea through these exercises". Japan, which has participated in the exercise five times, also attached great importance to the Malabar 2016. It used the exercise to enhance the anti-submarine capability of the Japanese Maritime Self-Defence Force and spy on China's military deployment in the waters, it said.

"However, the anti-submarine warfare of the US, Japan and India won't make them succeed in countering China as China has significantly improved its technologies in ballistic missile submarines and attack submarines. And with the development of multi-dimensional operations, merely elevating anti-submarine capability won't enable these countries to contain China," the article said. "The Malabar exercise has always been led by the US, with Japan and India being just partners with varied purposes. This will cripple the actual effects of the exercise. In fact, this kind of exercise is unlikely to impair China's presence in the East China Sea, except for flaring up tensions in the waters and producing frictions," it said.

Source: economictimes.indiatimes.com, 27 December 2016



Gwadar port will improve volume of trade, says Pak Navy Chief

Pakistan's chief of Naval Staff, Admiral Muhammad Zakaullah has said that the Gwadar port is not in competition with any other port but it is better for the whole region as the volume of trade will increase. He was speaking at the closing session of International Maritime Conference (IMC) on the CPEC and the Gwadar Port. The conference was organized under the auspices of Pakistan Navy in coordination with Ministry of Planning, Development and Reform and Parliamentary Committee on CPEC.

IMC, under the theme 'CPEC & Gwadar Port as Harbinger of Regional Integration and Maritime Economic Development', was aimed at examining the politico-strategic, maritime economic and security dimensions of the CPEC project and the challenges and opportunities arising in the economic domain from its implementation. The opening session of the day dwelled on the theme of maritime security and commenced with the keynote address by Professor Xu Ming, Executive Director Glorious Sun Institute of Management - Donghua University. Xu said that the CPEC is a great strategic design, that would greatly benefit Pakistan and China. The Vice Chief of Naval Staff, Vice Admiral Khan Hasham bin Siddique, chaired the opening session.

Andrew Small, Senior Trans-Atlantic Fellow, while presenting a paper on "CPEC-Emerging security paradigm in the Indian Ocean", said that CPEC is unique in a sense that it is a power settler in the region, and thus, shall be accessible to all states, and therefore, one should refrain from counter-productive competition. Speaking on the CPEC and the importance of maritime security, Vice Admiral (retired) Asaf Humayun said that keeping in view the enhanced spectrum of threats due to hybrid warfare by adversaries, there is a dire need to augment the capabilities of Pakistan Navy and the Maritime Security Agency to fulfill the needs of a multi-layered defence system for an effective seaward defence of the CPEC and Gwadar Port. "The Pakistan Navy also needs to enhance interaction with PLA Navy as well as a full-fledge Naval Base at Gwadar is inevitable", he underlined.

Vice Admiral (retired) Iftikhar Ahmed Rao, presenting the last paper of the session on "Geo Politics and Maritime Security: changing dynamics of North Arabian Sea",

said that Gwadar is the nucleus of the 'One Belt One Road (OBOR)'. He said that the CPEC will be just an extension of Karakoram Highway without the Gwadar Port, as it's the sea part which makes the CPEC global. "Therefore, the traditional mentality that land outweighs sea must be abandoned," he added. Senator Mushahid Hussein Sayed emphasized that Gwadar is the hub and centre piece of the CPEC and it is the way forward for Pakistan in the 21st century. He added that Gwadar and Chahbahar are sister ports and there has to be road and rail connectivity between Pakistan and Iran. Sayed said his address saying that the Pakistan Navy's role in maritime security and the CPEC is pivotal and therefore, there is a need for policy making on maritime economy. He also complimented the Pakistan Navy on raising a dedicated Task Force 88 for maritime security of the CPEC. The Navy Chief Admiral Mohammad Zakaullah thanked all participants, speakers and foreign dignitaries for making the conference a success.

Source: www.business-standard.com, 15 December 2016

Shipping faces threat from EU of unilateral levy on carbon emissions

-Jonathan Saul

The shipping industry faces the threat of paying a levy to the European Union on its greenhouse gas emissions as lawmakers from the bloc grow increasingly impatient with the slow progress being made by the global effort to tackle the issue. The industry, which accounts for around 90 percent of goods transported globally, has rejected unilateral moves by the EU, arguing it would distort world trade and instead wants the issue handled through the International Maritime Organization (IMO), the United Nation's shipping agency. Last week EU lawmakers voted in favor of including shipping in draft reforms of the bloc's carbon emissions trading system (ETS), which could see the establishment of a fund set up to compensate for the industry's carbon footprint.

The proposals will go to a plenary vote in February and the EU's three law-making bodies - member states, the Commission and Parliament - will start talks next year to thrash out a reform deal. Simon Bennett, of the International Chamber of Shipping (ICS) industry association, said the EU's ETS market which was developed especially for the power, steel and cement sectors, had been "an abject failure" and was not suitable for shipping. "Its unilateral application to global shipping would create

market distortion while generating trade disputes with China and other Asian nations," Bennett said.

"We hope that EU governments and the European Commission will see sense." A spokeswoman for the European Commission said it was closely following the discussions in both the European Parliament and the Council of member governments, but had no specific comment at the moment. Shipping now accounts for around 2.2 percent of world emissions of carbon dioxide (CO₂) and that share is forecast to rise dramatically if nothing is done to slow it. The ICS's Bennett said shipping fully accepted its responsibility for CO₂ cuts via the IMO, which last month laid out a "road map" toward the adoption of final CO₂ reduction commitments in 2023.

However, Allard Castelein, chief executive of the major European port of Rotterdam, said the IMO plans were "not challenging enough" and "far too late", urging the EU to "keep up the pressure" on the agency. In response IMO Secretary-General Kitack Lim said tackling the issue was a matter of "urgency" and it would continue its work to find a global solution for controlling greenhouse gas emissions "by working together and not leaving anyone behind".

Source: uk.reuters.com, 21 December 2016

Militancy: Ship Owners Lose N2.3trn To Foreign Insurance Firms Yearly

-By Yusuf Babalola

Foreign and local ship-owners as well as charterers entering Nigerian territorial and coastal waters are paying a whopping N2.3trillion annually to foreign insurance companies for operating on the country's waters, LEADERSHIP Weekend has exclusively gathered. Each of the 5,000 vessels calling at Nigerian Ports annually, it was learnt, is made to pay \$100,000 as insurance premium tagged 'War Risk' on ships coming to Nigerian waters.

To this end, the ship-owners both local and foreign ones pay over N2.3trillion (using N465 exchange rate to calculate) to insure their ships against any attack on a yearly basis, a development the ship owners are complaining bitterly about. Inside sources

in the insurance industry disclosed that the ship-owners are made to pay as much as \$100,000 dollars amounting to N45.5 million as war risk, not because the country is fighting war, but because of the resurgence of militancy in the South-South region and the activities of Boko Haram in the North-Eastern part of the country. And with the cost of replacing a damaged vessel amounting to billions of Naira, insurance experts said this charge is considerate, taking into consideration the current economic reality.

Currently, only few local insurance companies have the needed capacity to underwrite marine risks; hence, most marine insurances, especially as regards ship insurances, are always ceded abroad. In some cases, however, this business is being shared between the local insurers and foreign insurers, even though the foreign insurers retain the highest risks and premiums. Because of low capacity of most underwriters in the country, the insurance industry is losing about N2 trillion on a yearly basis to these foreign insurers.

Currently, the total premium income of insurance industry is still around N300 billion, while industry watchers believe that if the insurance industry could retain most of the N2 trillion, the sector would have the capacity to contribute meaningfully to the country's GDP and economic development. Speaking on this development, a former Executive Secretary/ Chief Executive Officer of Nigerian Shippers' Council (NSC), Capt. Adamu Biu lamented tagging Nigeria as war risk when it was not in a war situation.

According to him, apart from the fact that it is a serious embarrassment to the country, tagging Nigeria war risk fuels inflation in the country. Biu said, "The threat to life and property is a serious challenge to any industry. Security of our waterways is a phenomenon that must be addressed decisively and urgently if foreign participation is to be expected in our shipping industry." Presently, ship-owners and charterers are made to pay insurance premium of up to \$100,000 per vessel's call to any Nigerian port. It is called 'War Risk'. This is a serious embarrassment to the nation as we are not at war. It also adds to inflation in the country as ship-owners simply find a way to pass this bill to the cargo interest

Also, speaking, a former Ship captain and former President of the National Association of Merchant Navy and Water Transport Senior Staff Association, Thomas Kemewerigha, described the South region as the most notorious, even as he called for proper policing of the water channels.

He said the fear of kidnapping has chased away local fishing trawlers and other seafarers, urging the Navy to rise up to its duties. “Now that seafarers are scared to venture into Nigerian waters, the economy is affected and jobs are lost regularly. Revenues accruable to the government is reduced because import is also reduced. The multiplier effect is much,” he added.

However, maritime experts said the notoriety of Nigerian waters spells doom for the country which, if left unchecked, may compel international maritime organisations to label Nigeria as war risk or high risk nation despite the fact that there is no war in the country. The direct effect of this is astronomical increase in cost of imports because only fewer vessels will have the courage to come and their calling at any Nigerian port, especially in the South region, will come with scathing fees. Analysts also say the development would hurt the nation’s economy because reduced imports without matching local production would be unpalatable for an import dependent economy like Nigeria.

As poor dredging of Calabar port cost shippers N100bn annually

Meanwhile, shippers in the North Eastern and South Eastern part of Nigeria are spending over N100 billion annually on freight cost due to the non-viability of Calabar port which is expected to serve the areas, LEADERSHIP Weekend can authoritatively report.

The dredging of the shallow channel of Calabar port had been enmeshed in controversies, with over \$56million spent to dredge the shallow draft and channel of the port to receive bigger vessels, all to no avail. Findings by our correspondent reveal that since the Calabar port has remained unviable, business owners at the commercial nerve centre of Aba, Onitsha, Owerri and Enugu import their cargoes through the Western Ports in Lagos -Apapa and Tin Can for upward movement to the South East.

But shippers from the North-Eastern part of the country who are supposed to make use of the Calabar port to import their consignments are being forced to use the Lagos ports, which attracts more freight cost for them as truck operators charge exorbitant amount to move containers from Lagos ports to the areas.

Investigation by this paper shows that trucking of a 40ft container from Lagos ports to the North-Eastern part of the country cost between N500,000 to N600,000, while

trucking of same to the South-East cost N200,000 to N300,000 respectively. According to the Lagos state Vice Chairman, National Association of Road Transport Owners (NARTO) Dry cargo, Abdulahi Muhammed Inuwa, 200 container-laden trucks leave the Lagos ports daily for the South East-Anambra, Ebonyi, Enugu, Abia and Imo state- for delivery of cargoes.

According to him, the average amount charged by truck owners to move containers from Lagos to Aba or Onitsha ranges from N200,000 to N250,000 per trip, while an average of N300,000 are being charged on trucks to Owerri, Enugu and Abakaliki. On the North-East route, he said over 400 containers- laden trucks leave the Western Ports for Bauchi, Taraba, Yola, Gombe, Yobe and Maiduguri daily. He also disclosed that truck owners charge between N450,000 to N600,000. Corroborating the NARTO Executive, the President, Association of Maritime Truck Owners (AMATO), Chief Remi Ogungbemi said the weight and types of cargo determine the amount to be charged for movement of cargoes to the Eastern part of the country. He however stated that moving cargoes ranges from N230,000 to N260,000. The Chairman of the Nigeria Ports Consultative Council (NPPC), Otunba Kunle Folarin said the Calabar port was established to service produce from the Eastern part of the country.

Speaking exclusively to our correspondent, Otunba Folarin said no containers vessel can berth at the Calabar port with the present depth of the berth and channel, adding that the shallow draft does not allowed traffic to the port because of the depth of the berth and channel. "The port is constrained because of the depth of the berth and channel as a way to getting traffic to the ports. If there are no ships berthing at the port, it will not be viable. With the current depth, only ships of 3000 tons will call at the port and no one can expect a container ship of 13 meters to come there; only ship of 6 meters can come there now," he said.

The President, Shippers Association of Cross River State, Mike Ogodo also confirmed that port was supposed to serve the North Eastern and the South-Eastern part of the country but has been left completely redundant due to its shallow draft and channel. Ogodo said no schedule liner vessel call at the port, stressing that this had been a drain in the pocket of its members as they have to import through Lagos ports and pay heavy freight cost on road haulage to move their consignments to their respective destinations.

His words: “There is no scheduled commercial liner coming to Calabar port except people who charter smaller boats to bring in their goods; regular shipping activities are non-existent in Calabar port. Container vessels don’t come here; this has been affecting us negatively. Our members have to bring their consignments through Lagos ports and truck it through the road.”

According to him, the amount used to bring consignment through trucks to Calabar, Southeast is completely avoidable. The Managing Director of Nigerian Ports Authority (NPA), Ms Hadiza Bala Usman acknowledged the closeness of the Calabar port to the North-Eastern part of the country and the need to open the trade route. Speaking recently while on an assessment of the Calabar port, she also identified shallow draft and channel as the bane of the Calabar port. She said, “I believe the most critical issue with Calabar Port is the issue of dredging to increase the draft and accommodate bigger vessels. We also identified the need for us to jointly work to bring commercial activity to the area. We note the position of the port as very strategic as it relates to the Gulf of Guinea where there are lots of trade that can be harnessed upon. “We have spoken to the Cross Rivers State Government to help generate and improve techniques that will promote trade. We also noted that Calabar Port is one of the ports closest to the North-East region of Nigeria. It is important for us to open that route and revive businesses there. “There are export potentials in the North-Eastern part of the country and this could be done through the Calabar Port. We are reaching out to other organs like the Federal Ministry of Works, Ministry of Trade and Commerce to ensure this trade route from Calabar to the North East is revitalized”.

Also, the chairman, NPA, Emmanuel Adesoye said the federal government plans to dredge the Calabar port to enable large vessels berth and do business. Addressing journalists in Calabar recently, he said, “We have seen most of these facilities. They are excellent facilities. They are opportunities waiting to be tapped. We know that these are areas that can really help Nigeria in terms of incomes, especially foreign currencies, if properly developed. There are also challenges. For example, the one we see is the draft situation in this area. It is a little bit shallow; we need to do a lot of dredging.”

Source: leadership.ng, 24 December 2016

Why Tamil Nadu's Enayam port is the need of the hour

-B Krishnamoorthy

Ever since the Union government anchored a Rs 27,000 crore container trans-shipment project at Enayam – a hamlet on the west coast of Tamil Nadu – it has drawn a mixed response. The objective to build the port is to get a share in the global trans-shipment pie by attracting mother ships carrying cargo meant for India that now dock at Colombo or Singapore or Port Klang in Malaysia. In terms of sheer volumes, about 2.8 million TEU (Twenty feet equivalent Unit – it is the standard size of a container and a common measure of capacity in the container business) of Indian containers are currently being trans-shipped through foreign ports: Colombo Port handles 1.2 million TEU and the rest is through the Port of Singapore and Port Klang. And the trans-shipment loss for the Indian port industry can be pegged at Rs 1,500 crore.

High potential

That is where Enayam comes into the picture. It's a port that has the potential to offset the loss of Rs 350 crore through the cost of logistics and make a Rs 5,000 crore indirect positive impact on the economy. Further, it can save voyage time by 5-6 days for cargo bound to Africa, the EU or East. Leveraging the proximity to the great East-West shipping route, Enayam has the potential to become a transshipment hub not only to handle Indian containers but also cargo flows in South Asia – West bound containers to Europe, Africa and the US – from the neighbouring countries like Bangladesh, Myanmar, etc. Yet there is opposition to the project and it is basically two-pronged: one revolves around its viability and the other is on the possible impact on the livelihood of the 10,000-odd fishermen living there. Let us first look at the feasibility angle. Critics harp on the proximity of the Enayam project to Vizhinjam port in Kerala, which is just 40 km away and is being developed with the same objective. Why two ports in the same area doing the same business, they argue. Actually Colombo, Vizhinjam and Vallarpadam International Container Transshipment Terminal (ICTT) exist in close proximity, creating excess capacity in the region.

Proximity factor

But should proximity be a problem? Look at the global experience: successful transshipment and container hubs tend to develop in clusters. The Klang and Tanjung Pelepas ports in Malaysia and Singapore are part of the South-East Asia cluster and handle as much as 60 million TEUs. Similarly, the Jebel Ali, Salalah and King Abdulla ports are located close by in the West Asia cluster and handle over 40 million TEUs. Even in India, the port cluster of Mundra, Kandla, Hazira, Pipavav in Gujarat in the west and those in Chennai, Ennore, Kattupalli and Krishnapatnam in the south are successful examples of such large port ecosystems. Ports in Los Angeles and Long Beach in California perhaps serve as the best example of a large port cluster ecosystem. If these clusters can work, why can't Enayam and Vizhinjam?

In fact, container trade has been growing at a rate of 7-10% worldwide over the last two decades and India's position is robust. The country needs to set up more ports to meet its growing cargo traffic, which is expected to touch 2.5 billion tonnes by 2025, from its present capacity of around 1.5 billion tonnes. Moreover, India has emerged as the fastest growing major economy in the world and the Indian economy is expected to continue to grow at more than 7 per cent in 2016-17. Establishing the Enayam Port will help inclusive growth in the region.

Why ICTT failed

Then there is the argument that the Vallarpadam ICTT – created for the same purpose in February 2011 – has not been able to compete with Colombo, which has always been way ahead of Vallarpadam in terms of capacity, deep draft (16m), pricing and productivity. The ICTT has 13.5 m draft and is about 30 nautical miles away – twice as much as Colombo – from the International Shipping Route, requires extra sailing time and consequent doubling of deviation cost, which detracts major shipping lines. Besides, its high maintenance cost limits the scope for further expansion.

But more importantly, ICTT follows a rigid tariff structure fixed by the Tariff Authority for Major Ports (TAMP) amid high labour cost, whereas Sri Lanka follows guided tariff that has not changed dramatically for the last two decades, thus assuring constancy of business.

But TAMP, created in April 1997 to provide a level playing field between the private operators and the major ports, became redundant ever since the market matured. Now the ministry is considering doing away with TAMP and moving towards a market based tariff determination system.

One of the strengths of Colombo is that it has a strong feeder system with smaller ships in the range of 800-1,000 TEUs moving transshipment containers to/from Colombo port. Currently, the Colombo port is considered as the best option in the South Asian Zone, which is why apart from India, Colombo receives cargo from Pakistan, West Asia and Myanmar. In fact, the volume of cargo handled at Colombo is rising around 10% every year despite the shipping industry failing to recover from the global slowdown. No wonder, Sri Lanka is strategically creating new port capacities in Colombo (14 mn TEUs) and Hambantota (20 mn TEUs) to get a bigger slice of the South Asian cargo, since a considerable chunk, i.e., 70% of cargo from Bangladesh and Myanmar – at present gets transshipped in Singapore.

Enayam advantage

Compare ICTT with Enayam. At Enayam, there is a natural draft of 16 m, which will enable larger vessels to call in. In fact, even Colombo has only one terminal (CICT) with the draft of 16 m. Enayam would need minimal dredging for maintenance thus offering a cost edge. Its 4 km long container terminals would provide sufficient scale to handle more than 8 million TEUs.

Add to that its strategic location almost next to International Shipping Route (around 10 nautical miles) and the potential for gateway cargo would be a big factor in any liner's decision to move to a new location since it brings down the volume risk. Further, Enayam would have a multi-cargo approach that would reduce the commercial risk profile. And IPRCL would be tasked to provide the last mile rail connectivity with the closest railway station at Pallivadi, which is only 10 km away and six-lane road connectivity with NH-47, which is only 11 km from the port.

Must-have factors

Consultants to the project had suggested five 'must have' factors for Enayam's success. The first two factors, namely, ease of cabotage rule and waiver of service

tax or extending the discount in port charges to offset the additional cost of service tax are within the ambit of the Ministry of Shipping.

The third factor was simplifying customs procedures. In fact, the DG (S) Committee has made 34 recommendations to reduce the waiting time of coastal ships at ports. Customs have implemented some of the recommendations relating to inter-modal transportation of transhipped cargo, simplification of coastal cargo transportation etc. The Ministry of Shipping and CBEC are actively examining ways to implement the remaining recommendations. The Indian Customs may not have transformed into what we find at the HOROPA Port in Europe, wherein rapid customs clearance happens, in less than five minutes. But the recent measures such as AEO, DPD services, single-window interface for trade (SWIFT), RFID programme and the export and import computerisation module of ICEGATE, have brought in sea changes.

Source: www.newindianexpress.com, 24 December 2016

Drinking water crisis hits Indian Ocean island

The Indian Ocean island of Mayotte has been forced to impose severe water restrictions on tens of thousands of people due to the late arrival of seasonal rains. Around third of the 200,000 residents on the island, which is administered by France, have seen their access to piped water at home cut to one day in three. Hotels, an important part of the local economy, have been told not to fill up their swimming pools and many are having to hand out bottled water to customers. Local officials met on Wednesday and decided to extend the measures until the end of January when rains are forecast to arrive and replenish the island's two dwindling reservoirs. "This is a crisis situation," local official Florence Ghilbert-Bezard told AFP, adding that the restrictions were necessary "to maintain our resources at any cost until the start of the rainy season."

The drought has exacerbated Mayotte's water problems. The island's resources were already under pressure from a rising local population which saw water consumption jump by 9.7 percent in 2016. Low-lying island nations have lobbied hard for global efforts to combat climate change, arguing that they are the most vulnerable to extreme weather events such as drought, as well as rising sea levels.

Source: newsinfo.inquirer.net, 30 December 2016



MARINE ENVIRONMENT



The clothes you wear could be contributing to sickening of the Oceans

- Jim Melvin

GEORGETOWN, South Carolina — The emergence of micro plastics as a pollutant-harboring hazard in the oceans is a hot topic in scientific circles, but recent research by a Clemson University scientist and his collaborators suggests there is another potential danger lurking in marine habitats that has been previously ignored. Natural fibers like cotton, linen, silk and wool also appear to be significant absorbers and transporters of organic chemicals in aquatic environments. Though these fibers degrade far faster than plastics and other synthetic materials, they remain intact long enough to have adverse effects on seaside areas.

“While taking sand samples from multiple sites throughout the southeastern coastal region of the United States to study the distribution of micro plastics in our oceans, we also discovered the presence of sizable amounts of natural fibers,” said Alex Chow, an associate professor in the forestry and environmental conservation department of Clemson’s College of Agriculture, Forestry and Life Sciences. “These fibers have been neglected in marine pollution studies, probably because most believe they degrade before they can cause any appreciable harm. However, we are proposing that natural fibers are playing a different but still damaging role in chemical pollution dissemination.”

Micro plastics, which are barely visible to the naked eye, arise through several processes, including the breakdown of larger plastic fragments and also the dispersal of household and personal care products that contain scrubs and abrasives. These particles enter the oceans via discharges from wastewater treatment plants, coastal tourism activities and shipping spillages. Either before discharge or after entering the ocean, micro plastics absorb organic pollutants, such as medical and agricultural wastes, paint additives and wood preservatives. Because the plastic particles take decades to degrade, they can ride lengthy currents and transport these pollutants to places as distant as the relatively pristine regions of the Arctic.

Natural fibers, meanwhile, are believed to enter the marine environment mostly via the discharge of water from washing machines. A single cloth garment sheds hundreds of fibers per wash. These fibers, which are tiny enough to pass through wastewater treatment filters, degrade in a month or less. But this is still enough time for them to remain intact from their urban origin to their eventual resting places in coastal sediments.

“We propose that natural fibers can, in some ways, be even more harmful than synthetics,” said Chow, who is based at the Belle W. Baruch Institute of Coastal Ecology and Forest Science in Georgetown. “Both have been proven to absorb chemical pollutants, but synthetics help keep these pollutants unavailable to the environment for longer times in comparison to quickly degrading natural fibers, which release the pollutants much faster. Natural fibers also might be attracting a different set of chemicals that have the potential to lead to great physiological damage.” The dispersal of organic pollutants causes ecological impairment in many ways. Small sea animals like oysters and shrimp consume both the micro plastic and natural fibers. The small animals are then eaten by larger ones, which eventually affects the entire food chain. When humans eat the contaminated animals, the accumulated toxins can lead to cancer, birth defects and long-term health problems.

Along with Samantha Ladewig and Shaowu Bao of Coastal Carolina University, Chow is co-author of “Natural Fibers: A Missing Link to Chemical Pollution Dispersion in Aquatic Environments.” During his collaborative research, Chow has analyzed sand samples from more than a dozen beaches in the Southeast. “Initially, we were looking for the micro plastic materials, but we also found natural fibers – and not just near wastewater discharge sites but in areas miles and miles away,” Chow said. “So, we began to discuss where these fibers were coming from and we determined that they were originating from clothing. When we turned to scientific literature to broaden our knowledge, we found that many researchers were studying micro plastics but that few if any were looking at the dispersals and effects of natural fibers. This prompted us to switch gears.”

Chow’s research on natural fibers is new and still developing. Many questions are yet to be fully answered. At what rate and magnitude are these fibers being exported into the ocean? At what scale are they absorbing and releasing pollutants? And to what degree are they hazardous to marine and terrestrial organisms? “Researching synthetic materials and natural fibers together to understand the specifics of their roles will help fill the gaps in our knowledge,” Chow concluded. “This is truly a

missing link in our understanding of how chemical pollutants are poisoning our aquatic environments. And it should not be taken lightly.”

Source: newsstand.clemson.edu, 19 December 2016

IMO Decisions to Enhance the Blue Economy

The 70th session of the Marine Environment Protection Committee (MEPC) was held from 24-28 October 2016, at International Maritime Organisation (IMO) Headquarters in London. The meeting adopted key decisions which are likely to have a long-lasting effect on the marine environment and would contribute to enhancing the Blue Economy. Among these, three landmark decisions deserve a mention. Date of implementation of Global Sulphur Cap Ships use Heavy Fuel Oil (HFO) which has high sulphur content and contributes to air pollution in the form of sulphur oxide (SO_x) emissions. Under regulation 14 of Annex VI to MARPOL73/78 adopted in 2010 (applicable to all 171 IMO member states), the limit on the use of sulphur content in fuel used on board ships has been progressively reduced from 4.5 percent (mass/mass) in 2011 to 3.5 percent on 01 Jan 2012 and this limit was to be further lowered to 0.5 percent in 2020. However, there was a provision in the regulations that the date of implementation could be deferred from 2020 to 01 Jan 2025. This decision was to be finalized by 2018 and was subject to an assessment of the availability of sufficient quantity of low sulphur fuel.

In order to limit SO_x emissions, ships have the option of choosing amongst three alternate measures: first, to use low-sulphur compliant fuels such as Marine Gas Oil (MGO) or Marine Diesel Oil (MDO); second, to switch to liquefied natural gas or biofuels such as methanol by using dual fuel engines; and third, to use exhaust gas “scrubbers”, which prevent the release of SO_x emissions into the atmosphere. While ships were free to choose the most feasible technical option, it was a decision which was often based on the cost of implementing the solution.

The ambiguity in the date of implementation of the 0.5 percent limit, was leading to uncertainty in the minds of ship owners who were undecided about which technology to install on board new ships which were yet to be ordered. On the other hand, this uncertainty was also reflected on the investment decisions of oil refiners who were unsure about the demand of low sulphur fuel for the shipping industry and were

hesitating to invest in modification of the refineries which would enable them to produce bulk quantities of low sulphur fuel for the shipping industry. With the finalization of the decision for implementing the 01 Jan 2020 deadline, there is no further regulatory uncertainty and oil refineries can now invest in suitable infrastructure to meet the anticipated increase in the demand of low sulphur fuel for shipping. It also gives various actors and stakeholders time to prepare for a smooth transition to lower emissions. With this far-reaching decision, it is hoped that sufficient measures can be implemented well in time so that there are no spikes in the cost of low sulphur fuel closer to 01 Jan 2020. While the supply and growth in the demand of clean fuels is a 'waiting game' between refiners and ship owners, the writing on the wall is evident that the demand for clean fuels will continue to grow during transition of the shipping industry.

The price of the low sulphur fuel is expected to be higher by 50-100% than the HFO (a slightly lower cost differential exists for other alternatives to lower SO_x emissions) which would lead to increased cost of operations for ship charters, implying lower profits. In order to offset the high cost of low sulphur fuel it is likely that freight rates would be increased leading to an overall increase in the cost of transportation by ships. On the other hand, this is likely to encourage adoption of green shipping and would stir investments in ship efficiency.

Roadmap for reducing GHG Emissions from Ships the IMO has been leading efforts to lower GHG emissions from shipping and in 2011 it was the first industrial sector to adopt mandatory energy-efficiency measures. As a consequence, by the year 2025, all new ships built will be 30% more energy efficient than those built in 2014. Continuing its efforts, the MEPC approved a 'Roadmap' for developing a "Comprehensive IMO strategy on reduction of GHG emissions from ships" which would be applicable from 2017 through to 2023. The approved strategy follows a 3 three-step approach and would be adopted in 2018. The first step involves 'data collection', which would be followed by 'data analyses' in phase 2. These would form the basis for 'policy decisions' in phase 3. Various activities are planned with relevant timelines including implementation schedules as part of the three-step approach for improving energy efficiency on board ships.

Adoption of data collection system for fuel oil Consumption As the first step of the strategy, the MEPC adopted an amendment to chapter 4 of MARPOL Annex VI which would enter into force on 01 March 2018. Under the new Regulation 22A on collection and reporting of ship fuel oil consumption data, it is now mandatory for

ships of 5,000 gross tonnage and above to collect, record and report the fuel consumption data used on board ships, the cargo carried, and the distance travelled in each voyage. This data would have to be reported to the flag State at the end of each calendar year for verification which will then report the compiled data to the IMO ship fuel oil consumption database.

The mandatory reporting of fuel consumption data addresses a vital data gap and would enable a detailed assessment and analysis of energy efficiency on board ships. As evident from the IMO GHG 3 study, there was some uncertainty in calculating emissions from shipping due to lack of consistent fuel consumption data. It is hoped that this amendment will provide reliable data over the next few years which would help the IMO to take an informed decision about the fair share of the shipping sector to mitigate GHG emissions under the Paris climate agreement.

The landmark decisions taken by the IMO has reduced policy uncertainty and signals a clear intent that the shipping industry is committed to environmental protection. These efforts also contribute to the UN Sustainable Development Goal (SDG) 13 on combatting climate change as well as SDG 14 on using the oceans for sustainable development. The IMO decisions are likely to encourage investments, infuse new technology, generate jobs and spur innovation thereby catalysing the development of the Blue Economy.

Source: maritimeindia.org, 20 December 2016

Hong Kong and Mainland co-operation agreement signed to Prevent and Control of Air Pollution from Vessels

The Environment Bureau of the Hong Kong Special Administrative Region and the Maritime Safety Administration of the Ministry of Transport today (December 23) signed a Cooperation Agreement on Prevention and Control of Air Pollution from Vessels between the Mainland and Hong Kong in Shenzhen to strengthen regional exchanges and collaboration in controlling marine emissions.

The Agreement was signed by the Under Secretary for the Environment, Ms Christine Loh, and the Deputy Director General of the Maritime Safety Administration, Mr Li Hongyin. To tie in with the Implementation Plan on the

Domestic Marine Emission Control Area in Waters of the Pearl River Delta and Hong Kong, the Agreement covers major areas of collaboration including air pollution control, environmental monitoring and research, environmental training and exchanges. The Agreement further strengthens environmental co-operation between Hong Kong and Shenzhen with a view to mapping out actions to require vessels plying routes in the region to use cleaner fuel (0.5 per cent sulphur content or less) by 2019. This new initiative is expected to further improve regional air quality. Ms Loh also made use of the opportunity to discuss environmental and collaboration issues of mutual concern with Mr Li after the signing ceremony.

Source: www.info.gov.hk, 23 December 2016

Curbing marine pollution: Federal Govt forms three-member committee

KARACHI: A three-member committee was formed by the federal ministry of ports and shipping to look into marine pollution, during a meeting held at Karachi Port Trust (KPT) head office on Tuesday. Federal minister for ports and shipping Mir Hasil Bizenjo presided over the meeting, which was attended by federal ports and shipping secretary, port and shipping director-general, KPT chairperson vice-admiral Shafqat Javed and Pakistan National Shipping Corporation chairperson, Port Qasim chairperson and Sindh Government officials. The committee has been directed to submit a report in two weeks, after reviewing progress of Sewerage S3 project, marine pollution issue and suggest solutions for it.

The three-member committee comprises Pakistan Navy Fleet Commander Ariful Hussaini, KPT chairperson and a representative from the Sindh government, who will be handpicked by the provincial government. "Most of the sewage water is carelessly dumped into the Arabian Sea," Bizenjo said, while addressing the meeting. According to an official estimate, he said around 500 million gallons of waste water is produced per day by Karachi alone. One-fifth of the waste-water is coming from industries located in the city, while the rest is domestic or municipal sewerage.

It is a well-known fact that the waste-water that is dumped into the sea is affecting the marine life and fishing activities. "The committee will forward its findings and decisions will be taken based on them," Bizenjo said, while directing them to report

its findings within a fortnight. The minister invited Sindh Chief Minister Murad Ali Shah to share his input and help formulate recommendations, on which provincial and federal governments can collaborate further.

Source: tribune.com.pk, 28 December 2016

UAE- Critical Infrastructure and Coastal Protection Authority organises awareness meetings for fishermen

ABU DHABI, 28th December, 2016 (WAM) -- The Critical Infrastructure and Coastal Protection Authority, CICPA, the governmental entity responsible for maintaining safety and protecting the critical infrastructure of the coast of the country, has organised awareness meetings for fishermen all over the UAE, within the framework of its "Bihar" campaign. Entitled, "Follow the Rules to Fish Safely", the meetings aimed to promote awareness of maritime safety and the laws and regulations in force, and to learn about fishermen's suggestions and complaints.

The meetings are part of CICPA's contribution to enhance the awareness of fishermen to be active contributors in the protection of the marine environment. The meetings also assert the necessity to adhere to the concepts of protecting the marine environment by avoiding fishing in prohibited areas and not using prohibited fishing equipment. The authority makes unremitting efforts in order to promote maritime safety and security and the preservation of the marine environment in order to make such valuable concepts inherent values to all sea goers, including fishermen.

Among the topics discussed during the meetings are ensuring the boat's safety before sailing, the necessity of having a working maritime safety device, importance of the availability of a life jacket for each person on the boat, the presence of torches to be used in case of emergency to attract attention, and ensuring that there is a nautical radio on board that supports VHF-Channel 16 to hear the weather conditions. The meetings also raised awareness on the prohibition of the use of banned material, nets, and equipment for fishing living aquatic resources to avoid fines and legal violations. Also, the prohibited practice of extracting shellfish, sponges, and coral from the bottom of the sea. The bans on fishing turtles, dolphins, and marine mammals of all kinds, and killing, catching, possessing, or trading in marine birds, were also discussed.

Source : www.wam.ae, 28 December 2016

Committee formed to control marine pollution

A 3-member committee has been formed to compile a report on the progress of mega sewerage scheme (S-3) being executed to save the sea from solid and liquid waste including industrial waste generated from the city, and to suggest control measures. The committee, which includes the Karachi Port Trust (KPT) Chairman Shafqat Javed, Commander Pakistan Fleet Arif Hussaini and a representative of the Sindh Government to be nominated by the Sindh chief secretary, is to submit its report within two weeks to the federal and provincial governments.

This was revealed to the media by Federal Minister for Ports and Shipping Senator Hasil Khan Bizenjo on Tuesday at the KPT Head Office, after presiding over a meeting to discuss issues relating to marine pollution caused by civic and industrial waste. The federal minister for ports and shipping expressed his discontent over the scale of marine pollution along the city coast, and said that the ministry of ports and shipping, Pakistan marine security agency, the Sindh government, and other related agencies had decided to expedite the work on the S-3 and other initiatives aimed at checking marine pollution along the city's coast.

More than 500 million litres of liquid waste is flowing into the sea per day. The minister said that he would seek a meeting with Sindh Chief Minister Murad Ali Shah to discuss and finalise a strategy to effectively address marine pollution after the submission of the committee's report. "We will convince the federal and Sindh governments to focus on this issue and to pool their resources to clean up our polluted sea," he said while admitting that it was a huge task requiring vast resources. The minister also sought the media's help in promoting awareness about marine pollution among the masses.

To a question, Chairman KPT Vice Admiral Shafqat Javed said that all possible measures were being taken to contain pollution effects of the imported coal stock being handled at the KPT. These include construction of walls and installation of nets around the coal stock to protect nearby life, including both people and marine animals.

Source: www.pakistantoday.com.pk, 29 December 2016



Carving its Own ASEAN Path: India in between America and China

India has invested immensely to strengthen its economic and strategic ties with South East Asia, over the past decade Japan and South Korea specifically but not exclusively, and the current government under Narendra Modi has sought to only further consolidate relations with the countries of South East Asia. In general, Washington has supported India's greater role in the Indo-Pacific. Before commencing his India visit in April 2016, US Defence Secretary Ashton Carter categorically stated, "India is already a very influential and powerful force in the whole Indo-Asia-Pacific region, starting with the Indian Ocean." In meetings between the US President and Indian PM Modi, cooperation in the Indo-Pacific region has been accorded high priority. In fact, President Obama, who was accused of neglecting India in his first term, has invested significant capital in strengthening the strategic partnership with India and seems to have found common ground with India's Act East Policy.

India has responded by joining the Malabar Exercises with Japan and the US. India's maritime diplomacy has been quite pro-active recently, with almost 50 visits and bilateral exercises conducted in the past year alone. New Delhi did not shy away from signing LEMOA (Logistics Exchange Memorandum of Agreement), which has been criticized by some strategic analysts for favoring the US too heavily. The agreement was first proposed by the previous Manmohan Singh government, but due to opposition from within the Congress Party it was scuttled. It would be important to point out that Washington has supported a greater role for India in the India-Pacific region, not only in the strategic sphere, but also in terms of enhancing connectivity between India and South East Asia through the Indo-Pacific Economic Corridor which will run through Myanmar and Bangladesh. India has finally embraced the relevance of stronger connectivity with ASEAN countries, beginning with Myanmar. During Myanmar President U Htin Kyaw's visit to New Delhi in August 2016, expediting the India-Myanmar-Thailand highway (which marked the upgrading of 69 bridges and the Kalewa-Yargi road) was one of the most important issues. Indian PM Modi also spoke for the need of setting up of a joint task force to extend this corridor to Cambodia, Vietnam, and Laos.

Considering all of this, New Delhi, while strengthening its strategic ties with the US, should closely watch recent events across ASEAN countries as they may have

reduced Washington's leverage and strengthened China's position. Economically speaking, Beijing has always been heavily invested in the region. But certain developments have given it much more leeway and leverage in the strategic sphere.

First, one must consider the anti-US posturing of Philippines president, Rodrigo Duterte. The President recently stated that military exercises conducted on October 4th would be the last. "You [the United States] are scheduled to hold war games again, which China does not want. I will serve notice to you now, this will be the last military exercise." Perfecto Yasay, Duterte's foreign secretary denied this, of course, but subsequent engagements and comments coming out of Manila do not contradict this strategic shift perception. Many believe that Duterte is just playing the US against China and is using this as a means to encourage greater Chinese investment in Philippines. Regardless, these events have significance for Indian foreign policy and must not be ignored.

Second, while Vietnam and China have had recent tensions, India has sought to strengthen strategic ties with Vietnam. The latest iteration being the 500 million USD defense credit offered during the Indian PM's visit to the country in the first week of September 2016. Out of this amount, 100 million USD will be used for building patrol boats. It was also decided that India would further increase assistance to Vietnam in the sphere of military training. Not coincidentally, less than 2 weeks after the successful visit by Modi, Chinese President Xi Jinping visited Vietnam and spoke about the importance of their bilateral relationship. Interestingly, in spite of the tensions between both countries, bilateral trade is estimated to be increasing to over 65 billion USD.

Third, President Obama has not been able to push through the Trans-Pacific Partnership back in the United States, a cherished project of the administration. President Obama acknowledged the opposition to TPP during a joint press conference on August 2, 2016, conducted during Singapore PM Lee Hsien Loong's state visit. Said Obama: "There's a real problem but the answer is not cutting off globalization. The answer is how do we make sure that globalization, technology, automation—those things work for us, not against us. TPP is designed to do precisely that."

The Singapore PM, in an interview with the Wall Street Journal in March 2016, alluded to the possible lowering of US influence in ASEAN if the agreement does not go through. Said the Singaporean PM, 'I think it is important you do ratify this and

not either let it stand for years unsettled or, worse, at some point, say “We are not satisfied, let us come back. I am asking for an even better deal,” because that would considerably undermine American credibility and seriousness of purpose, and confidence in America all over the region.’So the chief question that remains is rather simple: if Washington’s leverage continues to reduce in the region, then what does New Delhi do?

First, India should continue to woo CMLV countries in ASEAN which have been on the margins for far too long. Today these countries are the drivers of growth and true economic motors for the region. This is why India must continue to strengthen economic and strategic ties with both Vietnam and Myanmar. Apart from India's pro-active outreach to these countries, both in the economic and strategic sphere, it is important that India focuses on strengthening construction projects such as the India-Myanmar-Thailand highway, which needs to be expedited and extended all the way to Cambodia and Vietnam. This will help the long-term influence of India’s Act East Policy. Bolstering projects like the Indo-Pacific Economic Corridor falls into this same category.

Second, while India may be no match for China in terms of investment and bilateral trade for the time being, India should build on its own strengths in areas like capacity-building and promoting a more transparent and efficient private sector. While India has been assisting CMLV countries in IT, English-language training, and agriculture, it should increase the number of scholarships for students from these countries. There is also a need to further enhance people-to-people contact and reestablish long-dormant historical links.

In conclusion, India has its own unique strengths and opportunities in ASEAN. And while finding common ground with the US in the Indo-Pacific is an important aspect of India's Act East Policy, it needs to create its own niche and play to its own strengths without being unduly obsessed by the China factor or by the American alliance. Tridivesh Singh Maini is a New Delhi based Policy Analyst associated with The Jindal School of International Affairs, Sonapat. One of his areas of interest is India’s Act East Policy.Maithili Parikh is a student at The Government Law College Mumbai.

Source: moderndiplomacy.eu, 23 December 2016

China seizes an underwater drone and sends a signal to Donald Trump

IT WAS an operation carried out with remarkable cool. On December 15th, less than 500 metres away from an American navy ship, a Chinese one deployed a smaller boat to grab an underwater American drone. The object was then taken to the Chinese ship, which sailed off with it. Point deftly made. The incident occurred in the South China Sea, in which China says the Americans have no business snooping around. By seizing the drone, it has made clear that two can play at being annoying.

Mercifully no shots were fired. After remonstrations by the Americans, China agreed to give the drone back “in an appropriate manner”. It chose its moment five days later, handing the device over in the same area where it had snatched it. The Pentagon, though clearly irritated, has downplayed the drone’s importance, saying it cost (a mere) \$150,000 and that most of its technology was commercially available. The drone was reportedly carrying out tests of the water’s properties, including salinity and temperature.

But it may turn into less of a game. Relations between the two nuclear powers, never easy at the best of times, are under extra strain as Donald Trump prepares to take over as president on January 20th. Mr Trump has already angered China by talking on the phone to Taiwan’s president, Tsai Ing-wen, and challenging China’s cherished “one-China” policy, crucial to which is the idea that Taiwan is part of it. The capture of the drone took place on the outer perimeter of China’s expansive claim to the sea, about 50 miles (80km) from the Philippine port of Subic Bay, which was once home to a large American naval base (see map). It appeared calculated to show China’s naval reach, with only minimal risk

of any conflict—the American ship that was operating the drone, the *Bowditch*, is a not a combat vessel. Once in office, however, Mr Trump could face tougher challenges, exacerbated by China’s growing presence in the South China Sea: it appears to be installing weapons on islands it has been building there. His two predecessors were each tested by a dangerous military standoff with China in their first months in office. With George Bush it involved a mid-air collision in April 2001 between an American spy-plane and a Chinese fighter-jet off China’s southern coast. The Chinese pilot was killed and the disabled American plane made an emergency landing at a Chinese airfield. There the crew of 24 was released after 11 days of painstaking diplomacy. The aircraft, full of advanced technology, was returned—in pieces—months later.

In March 2009 it was Barack Obama's turn. According to the Pentagon, an American surveillance ship, the *Impeccable*, was sailing 75 miles from China's coast when it was buzzed by Chinese aircraft and then confronted by five Chinese ships. First the Chinese forced it to make an emergency stop, then they scattered debris in front of the American ship as it tried to sail away. They also attempted to snatch sonar equipment it was towing. The *Impeccable* soon returned—this time in the reassuring company of an American destroyer.

For now, feuding between Mr Trump and China is less nail-biting. In Twitter messages, Mr Trump bashed China for taking the drone and later said China should keep it. Chinese media have in turn bashed Mr Trump. One newspaper said he had “no sense of how to lead a superpower”. *Global Times*, a nationalist newspaper in Beijing, said that China would “not exercise restraint” should Mr Trump fail to change his ways once in the White House. He would be wise to study the form.

Source: www.economist.com, 24 December 2016

The Maritime Dimension in SAARC: Redefining Relations

-G. Padmaja

Introduction

On 8 December 2016, the member states of the South Asian Association for Regional Cooperation (SAARC), the SAARC Secretariat, SAARC regional institutions and the academia observed the 32nd SAARC Charter Day. ¹ It was on this day in 1985 that the first SAARC Summit was held in Dhaka, Bangladesh and the regional organisation was established with seven South Asian nations – Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka as members. Afghanistan was admitted into the Association in April 2007 at the 14th SAARC Summit held in New Delhi. When the preparatory process for SAARC began in the early-1980s, the world was engulfed in ‘Cold War’ ‘bi-polar’ politics and all countries including those from South Asia were influenced by it in some form or the other. At the regional level, it was opined that SAARC would enable India's neighbours to ‘gang up’ against it, signalling to the mistrust and difficult bilateral relations that existed in the region. All this has now changed.

Since the 1990s, with globalization and economies opening up, international trade has become the cornerstone of global economy. This trade takes place through the cheapest mode of transport which is the maritime medium. As a result, water bodies like oceans, seas, rivers along with ports and shipping infrastructure play vital roles as parts of logistics chain and become a key link for growth and prosperity of a nation. All the SAARC countries access the seas directly or indirectly for carrying out trade and five of the eight SAARC members – Pakistan, Maldives, India, Sri Lanka and Bangladesh have access to the Indian Ocean. For too long, focus has been on how India shares land boundaries with most of the SAARC countries; forgetting that the regional grouping has two island nations and three countries with long coastlines – all of which are geo-strategically located in the Indian Ocean.

It is through the Indian Ocean that more than half of the world's container traffic and 70% of energy needs are shipped. For countries like China, India and Japan – 90% of their critical energy resources originate from the Persian Gulf and transit through the Indian Ocean and beyond to their respective destinations. This region therefore holds great geo-strategic significance for all trading nations who want to ensure that the international shipping lanes (ISL) are safe and secure, for the health of their economies and nations prosperity depend on it.

It is estimated that by 2030, the energy requirements of the world will rise by 50 per cent, the demand being led by China and India. These energy shipments too, will transit through the waters of the Indian Ocean. Thus, China is investing in ports and other coastal infrastructure in SAARC countries like Pakistan, Maldives, Bangladesh and Sri Lanka so that the safety and security of the energy supplies while in transit in the Indian Ocean region can be ensured with better connectivity. All this is part of the bigger network of ports and other coastal infrastructure being built by China from its eastern seaboard through Southeast Asia, South Asia, the Persian Gulf, East Africa and the Mediterranean Sea under the Maritime Silk Route (MSR) initiative. These infrastructure projects will necessarily have to be preceded by cordial political relations between China and the concerned countries where the maritime infrastructure is coming up. As a result, Chinese presence in this entire region will increase manifold, having both geo-political, geostrategic and geo-economic implications for all the countries, including India.

China's MSR initiative - has resulted in SAARC countries located along the route geo-strategic significance. For some greater, it has given leverages and choices which did not exist earlier. These countries are conducting bilateral and regional

interactions from a position of ‘strength’, not commensurate with their weak economic base, political instability and lack of social cohesion. On the other hand, India’s capacity to influence SAARC members, despite its political-economic-military strengths, has become that much more nuanced and difficult with China’s increasing footprints in the Indian Ocean region.

In this context, this issue brief argues that the maritime dimension is transforming and redefining intra-SAARC relations and the member countries national development roadmaps. It is also observed that India does not have the economic clout similar to that of China and therefore it cannot make huge investments in infrastructure projects which China is making in India’s neighbourhood. The question thus arises - What should India’s response be in such a scenario? This essay 3 argues that India should engage through the SAARC forum to re-orient the cooperative agenda towards maritime issues, and build beneficial regional synergies especially by focusing on Blue Economy. The positive outcomes, which should be quantifiable, will ensure that member countries are sensitive to India’s security concerns, despite China’s large footprints in the region. While the dominant narrative, especially after the postponement of the 19th SAARC Summit in Pakistan, is how SAARC has ceased to be effective; this essay argues to the contrary.

Redefining Relations

This section examines the manner in which Maldives, Pakistan, Sri Lanka and Bangladesh are redefining their foreign policy choices given that they are geostrategically located in the Indian Ocean through which much of world’s shipping transits.

In October 2016, Maldives, very ‘defiantly’ pulled out of ‘The Commonwealth’ – a grouping of 53 nations that were mostly territories of the former British empire. Maldives termed as unjust the decision of the Commonwealth to penalise the island nation over the circumstances that led to the then President Mohamed Nasheed’s ouster in 2012 and the lack of progress in resolving the political unrest that followed. 2 Interestingly, Maldives is the only SAARC country which the Indian Prime Minister Modi has not visited and the reasons can be traced to the political unrest there. However, India soon realised that to be an effective ‘net security provider’³ in the Indian Ocean Region, it needs to engage with Maldives. Thus, foreign minister Sushma Swaraj visited Maldives in October 2015 and the Joint Statement spelt out

that bilateral partnership was important for maintaining security in the Indian Ocean region.

Maldives wields the capacity to withstand any bilateral, regional and international pressure, for it is well aware that it is geo-strategically located in the Indian Ocean. Also, Maldives does feel reassured with its relations with China, which does not comment on the island nations internal political developments. It is seen that Maldives is forging ahead with a highly ambitious economic agenda which it terms as the transformational infrastructure development projects, where China is a partner. Maldives relations with China strengthened in September 2014, when President Xi became the first President of China to visit Maldives. The two countries established “Future Oriented All Round Friendly and Cooperative Partnership” and the Joint Committee on Trade and Economic Cooperation (JCTEC). In December 2014, 4 Maldives officially became part of China’s 21st Century Maritime Silk Road (MSR) Initiative. From August 2010 to April 2016, the total number of Chinese tourists to Maldives was 104,106 tourists which accounts for 33 per cent of all incoming tourists.

Following the postponement of the 19th SAARC Summit in Pakistan, it was opined that the country will be isolated in the region. However, very soon the news came that China-Pakistan Economic Corridor (CPEC) has been officially flagged off with the first consignment from China setting sail from Gwadar to the African and West Asian markets on 13 November 2016. The Corridor’s newly built western route was chosen for the transit of trucks all the way from Kashgar in China to Pakistan’s South-Western port city of Gwadar. The US\$ 46 billion project enables Beijing to reduce its dependence on the Straits of Malacca to reach out to its markets beyond the Indian Ocean. An easy access to the Gwadar port and Strait of Hormuz through inland road and rail networks enhances the Chinese presence in the region. 6 Thus, given Pakistan’s strategic location, and its importance for China, any policy of isolating it will have only limited success.

With regard to Sri Lanka, in March 2015, the Colombo Port City Project (CPC) was put on hold by the newly elected Wickremesinghe government. However, it was revived in April 2016, despite India’s effort to the contrary. The CPC is a US\$ 1.4 billion project, spread over 575 acres, to be executed as a joint venture between the Sri Lankan government and a Chinese state-owned company. The project involved reclaiming land the size of Monaco and its development into a port city astride one of the busiest International Shipping Lanes (ISL) in the region. It was approved by the

former President Mahindra Rajapaksa.⁷ For Sri Lanka the economic benefits of the project far outweighed the politic-strategic concerns of India.

In October 2016, the Chinese President visited Bangladesh, the first by a Chinese head of state in 30 years. The two countries upgraded their relationship from a Comprehensive Partnership of Cooperation to a Strategic Partnership of Cooperation. Both sides also committed to the projects under OBOR (One Belt One Road) initiative to boost connectivity. 28 development projects with US\$21.5 billion in foreign aid were agreed to. ⁸ Interestingly, on 14 November 2016, Bangladesh Navy took delivery of two old refurbished Chinese Type 035G Ming-class diesel-electric submarines ⁹. All this needs to be seen in the context of Bangladesh having settled its maritime boundary with both India and Myanmar and focussing on maritime resources for sustainable development and poverty alleviation.

Maldives, Pakistan, Sri Lanka and Bangladesh – are all part of China’s MSR initiative the above discussion shows that there is a convergence on China’s needs for ports and maritime infrastructure on the ISLs wherein these SAARC countries are situated and the development needs of these countries concerned who require the investments. China also de-links politics with economics. One positive conclusion which can be drawn from the above discussion is that these SAARC countries are aware of the importance of maritime infrastructure; the manner in which seas can be a source of development and that they are eager to embark on the path to development with focus on the maritime agenda.

While bilaterally India has built cordial relations with the SAARC countries with many high-level visits, it has not been able to dent China’s influence. It is in this context that a regional approach, embracing issues maritime, will be effective.

Reorienting Cooperation

All the SAARC countries in their national development plans are keen to focus on tapping the resources as offered by the seas. However, this has not been prioritised in the SAARC forum. In the scenario where India’s leverages to counter China’s economic strength is limited, the SAARC platform is ideal to engage with these countries. In this context, India, should focus on Blue Economy and how it will benefit the SAARC region as a whole.

A beginning has already been made with the 18th SAARC Summit Declaration, spelling out the regions view on Blue Economy. The Declaration stated, “They (the member countries) recognized the manifold contributions of ocean-based Blue Economy in the SAARC Region and the need for collaboration and partnership in this area.”¹⁰

At 37th SAARC Council of Ministers Meeting in Nepal in March 2016, the Bangladesh Foreign Minister, Abul Hassan Mahmood Ali said, “The maritime resources hold huge potential for our development. There is much to benefit through collaborative exploration of the living and non-living marine resources in the Indian Ocean. The ocean resources based Blue Economy can play a critical role for poverty alleviation and sustainable development of the SAARC region. We should collaborate on development of capacities, partnerships and research in utilizing our marine resources. Our common undertakings must secure protection, development and exploration of seas and oceans in a sustainable manner...”¹¹

At the core of Blue Economy is that sustainable development and utilisation of the vast ocean resources should be such that there is realisation of greater revenue in a manner which contributes to eradicating poverty, leads to sustained economic growth, enhances social inclusion, improves human welfare, creates opportunities for employment and decent work for all while maintaining healthy functioning of the Oceans eco system.¹²

The areas highlighted are the contribution of fisheries in providing food security and sustainable livelihoods; water based tourism as a source of decent employment and contribution to poverty alleviation; ocean as a source of renewable energy from wind, wave, tidal, thermal and biomass sources; ocean as a source of hydrocarbon and mineral resources and; ocean as the primary medium of global trade through shipping and port facilities

It is important to note that India and Bangladesh have bilaterally concluded a maritime agenda of cooperation in June 2015 which includes coastal shipping; cooperation among coast guards; and use of Bangladesh ports for movement of goods to and from India. Trilateral agreements among Maldives, India and Sri Lanka to ensure coastal security also exist.¹³ However, these need to be approached regionally in the SAARC platform. With time, Pakistan too can be part of these arrangements.

Maritime tourism involving the coastal cities of the five SAARC countries should also be initiated. Most important, discussions and debates on Indian Ocean security architecture should take place in the SAARC forum too as all these countries are resident countries having direct stakes. The SAARC forum will not only facilitate constructive debate and discussion on issues maritime, but also deepen India's relations with its neighbours. This will also enable India to play an effective global role.

Conclusion

For more than 30 years, the SAARC has been hyphenated with the Indo-Pak conflictual relationship. It now needs to be viewed from the perspective of the Indian Ocean connecting the member states. Chinese investments in the SAARC countries straddling the Indian Ocean have influenced their foreign policy choices and their national developmental programs, thereby limiting India's traditional influence. In such a scenario, India should use the SAARC platform to prioritise maritime issues, with focus on maritime security; and Blue Economy as all the member countries have direct stakes in it. The economic benefits of Blue Economy will benefit the landlocked 7 countries of Nepal, Bhutan and Afghanistan too. The positive outcomes will ensure that member countries are sensitive to India's security concerns, despite China's large footprints in the region.

Source: maritimeindia.org, 26 December 2016

After India's Agni-5 Test, China Hopes for Strategic Balance in South Asia

BEIJING: China today hoped that India's testing of the nuclear-capable Agni-5 intercontinental ballistic missile complied with UN Security Council rules and safeguarded South Asia's strategic balance even as Beijing maintained that the two nations are "not rivals but partners". Taking exception to reports that the successful test of Agni-V was meant to target China, Chinese foreign ministry spokesperson Hua Chunying said, "On your question on India test firing the Agni-5 ballistic missile, we have noted relevant reports," to a question at a media briefing here. "On whether India can develop this ballistic missile that can carry nuclear weapons, I think relevant resolutions of the UNSC have clear rules," she said without

elaborating."We have always believed that safeguarding strategic balance and stability in South Asia is conducive for the peace and prosperity of countries in the region," she said.The reference to the strategic balance in South Asia apparently referred to the military balance between India and Pakistan.Agni-5, a 5,000-km range intercontinental ballistic missile (ICBM) is widely regarded as a strategic missile targeted at China as it can reach almost all parts of the Chinese mainland.

Hua also criticised media reports in India and outside referring to the Agni-5 as targeted at China and aimed at correcting India's strategic balance with Beijing. "On the test firing by India, we have also noted that some media, including Indian media and also some Japanese media, have speculated on whether this act of India is targeted at China," she said."I think, as to India's intentions, you have to ask the Indian side," she said adding that India and China are not rivals but partners. "As for us, we think that the leaders of China and India have an important consensus which is that China and India are both important developing countries and emerging economies," she said."China and India are not rivals but partners. The Chinese side is willing to work with countries in the region including India to jointly safeguard lasting peace, prosperity and stability of the region," she said and asked media to report more objectively."We also hope that relevant media outlets do not indulge in arbitrary speculations and make objective reports and do more things conducive to developing mutual trust between China and India and peace and stability in the region," she said.Experts say that proven ICBM capability currently exists only with the five major powers - the US, Russia, France, the UK and China.Russia's land-based Satan missile can reach 16,000 kms, while China has ICBMs that can hit targets up to 13,000 kms.While India is part of the Missile Technology Control Regime (MTCR), China is not .

Source: timesofindia.indiatimes.com, 27 December 2016

2016 Summary: South China Sea Dispute Shows No Sign of Resolving

In an interview with Sputnik China, expert Anton Tsvetov of the Center for Strategic Research, a Moscow-based think-tank, said that although there was no full-blown escalation of the territorial spat over the South China Sea throughout 2016, it can't be said that the situation has changed for the better. Tsvetov recalled that the main

negative expectations regarding the situation in the South China Sea in 2016 were related to the decision of the Permanent Court of Arbitration at The Hague on Manila's claim against China. Beijing, for its part, also added fuel to the fire by lashing out at The Hague's arbitration and its legitimacy, according to Tsvetov, leading to a low-key reaction after The Hague Court announced its decision on the matter. He added that right now, Manila "continues its drift toward China," with Duterte knowing full well in the run-up to the inauguration of the new US President, "the Philippines can flirt with Beijing without fearing possible sanctions from Washington."

However, the absence of open confrontation in the South China Sea in 2016 does not mean the situation is improving, Tsvetov said, citing Beijing's efforts to continue boosting its clout on the islands which it considers part of its territory. He recalled that among other things, Beijing launched direct flights to one of the airfields on the islands and made global headlines with the news that Chinese sailors had intercepted an underwater US drone in international waters in the South China Sea region.

On the whole, China's activity in the South China Sea in 2016 can be described as "rather intense," he said, referring to Beijing's naval drills with Russia, the deployment of China's only aircraft carrier to the region and the installation of anti-aircraft and anti-missile systems on all seven artificial islands created by Beijing in the South China Sea. Tsvetov did not rule out that US President-elect Donald Trump may take a hard line against Beijing on the South China Sea issue, trying to compensate for the US's "retreat" from Asia which has repeatedly been mentioned by Obama's critics.

Source: sputniknews.com, 29 December 2016