



MAKING WAVES

Inside this Brief

- **Maritime Security.....p.6**
- **Maritime Forces.....p.13**
- **Shipping, Ports and Ocean Economy.....p.21**
- **Marine Environment.....p.35**
- **Geopolitics.....p.46**

Editorial Team

Captain (Dr.) Gurpreet S Khurana

Ms. Richa Klair

Address

*National Maritime Foundation
Varuna Complex, NH- 8
Airport Road
New Delhi-110 010, India*

Email: maritimeindia@gmail.com

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.



Eyeing China, India, Vietnam up maritime security cooperation

How can East Asia defuse multiple maritime security risks?

An ISIS-inspired tactic is raising concerns in US ports

Maritime security important to West African economies – Expert

Navy to host international maritime security forum

Vietnam more willing to boost security ties with major powers: experts

**US Navy Vessel Here As Part Of Oceania Maritime Security Initiative
Deployment**



Submarines, indigenized aircraft carrier & heavy weight torpedoes are Naval Group's future plans in India: CMD

Indian Government puts final stamp on purchase of \$2 billion Russian Frigates

Indonesian Navy to send aviators for anti-submarine warfare training in India

India may import Japanese amphibious aircraft for Navy



SHIPPING, PORTS & OCEAN ECONOMY



Transshipment at Indian ports accelerates

China's 'Belt and Road', e-commerce to redefine shipping lines

Sri Lanka and Bangladesh to sign Coastal Shipping Agreement shortly

Inland waterways transport proving to be a game changer

India asks Bangladesh to use Kolkata, Haldia as transshipment ports

Major ports see positive growth in efficiency due to government's policies



MARINE ENVIRONMENT



A Collision between two ships off the Coast of Corsica: The fear of Pollution

In the Arctic, Increased Vessel Traffic Brings Concerns Over Pollution

Water-soluble 'plastic' may reduce ocean pollution

Team of sailors raise awareness in Pacific on growing concern of plastic pollution

How genetics and pollution are threatening wild dolphins



GEOPOLITICS

India signs missile shield deal with Russia, hopes for US OK

Amid US friction, China wants India to deepen trade ties

Putin's visit and the S-400 deal will test India-US relations

Indo-Pacific: 'A line of confrontation between China and the US, not between China and India'

Xinhua Headlines: Europe, China join hands drawing maritime blueprint

Belt and Road Initiative facilitates economic cooperation among China, ASEAN, South Asia: research

How Donald Trump's withdrawal from landmark trade deal became a setback for democracy in Vietnam

Eyeing China, India, Vietnam up maritime security cooperation

With an eye on China, India and Vietnam are further cementing their defence ties with coastal security forces of both countries participating in joint exercises off the Chennai coast on Thursday. A Vietnam Coast Guard (VCG) ship CSB 8001 is scheduled to arrive in Chennai for professional interaction and also to participate in the joint exercise.

A six member delegation of Vietnam Coast Guard led by Major General Nguyen Van Son was here on Monday to hold talks with Indian counterparts at the Coast Guard Headquarters to find ways to cooperate in marine security. The Indian side was led by Director General Coast Guards Rajendra Singh.

Both sides agreed to strengthen mutual cooperation in accordance with the provisions of the MoU signed in 2015 that included sharing of best management practices and augmenting operational level interaction. "This meeting is in continuation of the efforts by the governments of the two countries to enhance cooperation between the Coast Guards in the field of maritime safety and security at sea," officials said.

In view of the Chinese resurgence particularly to lay claims on sea lanes, maritime cooperation with South East Asian countries have assumed considerable significance. The areas has considerable bearing on India's economic security.

In addition, the ONGC Videsh Ltd, the overseas arm of state-run Oil and Natural Gas Corp, is exploring the Vietnam oil block in South China Sea region. The block lies in the part of South China Sea over which China claims sovereignty.

Source: dnaindia.com, 02 October 2018

How can East Asia defuse multiple maritime security risks?

- Andrew Salmon

East Asia's oceans are sources of massive wealth and vital highways of world trade, but the East China Sea and South China Sea are riven with state-to-state hostilities, making its many disputed territories flashpoints of potential conflict.

Exacerbating this risk at a time when regional powers such as China and Japan are upgrading their navies is the lack of any consultative regional security body to serve as a conflict resolution and crisis management body. These risks, and some potential solutions, were addressed at last month's multinational Seoul Defense Forum, which welcomed vice-ministerial level delegates and military professionals from around the region and elsewhere in the world to the Chosun Hotel in the South Korean capital.

However, while the conference was attended by a wide range of representatives, one key regional security player was notably absent: organizers told journalists that North Korean delegates had been invited, but declined to attend. The fact that oceans, which cover 70% of the world's surface, are rich in resources and critical for international commerce is well known. But there is growing concern about how those resources are being harvested and depleted.

Canada's Deputy Minister of National Defence Jody Thomas noted that the oceans produced 167 million tons of fish – 17% of the world's animal protein – in 2014, and that marine biodiversity is responsible for a third of all oxygen generated globally. Currently, two-thirds of the world's oil and a third of all goods are transported by sea. But she said the seas now face threats that current international agreements and customarily accepted practices may not be able to handle. [Read More](#)

An ISIS-inspired tactic is raising concerns in US ports

- Christopher Woody

A US Coast Guard Station New York crew member patrols around the Statue of Liberty, May 29, 2016.

- The Coast Guard has a number of resources and tactics to deal with threats on US waterways.

- But ISIS-inspired techniques present a new wrinkle for the service and its maritime security teams.

The US Coast Guard has a number of threats it needs to worry about when dealing with boats and their crews on US waterways, but boats without crews are adding a new wrinkle to the problem.

"There is an emergence in the Middle East with ISIS of using unmanned remotely controlled vessels that are packed with explosives, and that would pose a significant challenge," Lt. Cmdr. Devon Brennan, the commander of the Coast Guard's [Maritime Safety and Security Team](#) in New York, said on Friday during a use-of-force demonstration. The Coast Guard's MSSTs are tasked with security operations in US harbours and waterways. They were created in 2002, primarily to provide rapid-response anti-terrorism capability, protecting shipping, vessels, and infrastructure.

[Read More](#)

Maritime security important to West African economies – Expert

The Director-General of the Nigeria Maritime Administration and Safety Agency (NIMASA), Dr. Dakuku Peterside, has said that prompt action against regional maritime insecurity is key to the growth of the West African regional economies. Peterside said this at the opening ceremony of the Economic Community of West African States (ECOWAS) member-states "Expert Validation" two-day workshop that began in Lagos. The event focused on the NEEDS analysis study of the status of the implementation of the International Ship and Port Facility Security (ISPS) Code in the sub-region. The NIMASA chief executive, who was represented at the occasion by Mr. Rotimi Fashakin, a Director of Operations in the agency, said that ECOWAS had been known to pursue integration agenda. He said the integration was best characterised by its ambitious single currency programme expected to trigger massive expansion of the region's economies and the removal of barriers stifling regional unity.

"The need to do away with threats to regional trade is the core essence of trans-border trade given its natural advantages of volume and the coastal status of many states in the region. "In line with the Nigerian strategy and policy of promoting regional collaboration, Nigeria welcomed the ECOWAS team in 2017 and facilitated the mission," Peterside said. He said that it was a privilege for him to review the outcome of the regional collective efforts, which was the import of the event. According to him,

the seal of approval will be granted to the findings of the experts with a view to deploying same as tool for maritime regional security.

Source: journalducameroun.com/

Navy to host international maritime security forum

South Korea's Navy will host a global forum on maritime security on the southern resort island of Jeju this week on the occasion of its once-in-a-decade international fleet review, officials said Monday. The 16th biennial Western Pacific Naval Symposium (WPNS) will take place on Friday, bringing together 150 naval representatives from 46 countries, including the United States, China, Japan, Russia and Britain. The forum was launched in 1988 with an aim to promote trust and cooperation among navies in the region. The South Korean navy hosted it twice in 1998 and 2008 when it held the international fleet review. Defense Minister Jeong Kyeong-doo will deliver a keynote speech in which he plans to call for the participating countries' cooperation in Seoul's efforts to foster a lasting peace on the Korean Peninsula. During his congratulatory speech, Chief of Naval Operations Adm. Sim Seung-seob will stress the need for regional countries to devise "cooperative responses based on firm trust" to maritime security challenges such as piracy, the Navy said in a press release. "The geographical scope (of the WPNS) has expanded to include countries in Europe and South America, and this is expected to contribute to maritime peace not only in the Western Pacific but also to the entire world," the Navy said.

The forum coincides with the international fleet review in waters off Jeju. The review, slated to occur from Wednesday to Sunday, has been overshadowed by a row over Japan's plan to hoist the Rising Sun Flag, a controversial flag regarded as symbolic of its past imperialism, on a vessel of its Maritime Self-Defense Forces during the review. After weeks of controversy, Tokyo has decided not to join the event.

Source: english.yonhapnews.co.kr

Vietnam more willing to boost security ties with major powers: experts

-Minh Nga

A number of foreign naval ships have visited Vietnam recently, and analysts say the nation is keen to promote defense diplomacy.

Between September 11 and 27 South Korean destroyer *Munmu the Great* berthed in Da Nang, Japanese submarine *Kuroshio* in Cam Ranh, Canada's *HMCS Calgary* again in Da Nang, and New Zealand frigate *Te Mana* and Indian destroyer *INS Rana* in Ho Chi Minh City. In early September, British amphibious assault vessel *HMS Albion* visited HCMC after sailing past the Paracel Islands, sparking fury in China. Meanwhile, Vietnamese frigate *Tran Hung Dao* late last month headed out for a long naval journey involving maritime activities in Japan, South Korea and China, and Coast Guard ship *CBS 8001* began a maiden visit to India last week, seeking to strengthen cooperation in addressing maritime security threats.

In an email to *VnExpress International*, Dr. Collin Koh Swee Lean, a research fellow at Singapore's S. Rajaratnam School of International Studies, said these visits are definitely an indicator of Vietnam's growing willingness to boost security ties with major powers, including those within the U.S. alliance and partnership network. [Read More](#)

US Navy Vessel Here As Part Of Oceania Maritime Security Initiative

Deployment

The guided-missile destroyer *USS Shoup* (DDG 86) arrived at the Suva port this morning. This is part of the part of the ship's Oceania Maritime Security Initiative (OMSI) deployment. The 320-member crew were greeted at Port Muaiwalu by the Republic of Fiji Military Forces brass band. While in Suva, *Shoup* will host a formal reception tomorrow to highlight the partnership between the U.S. Navy and Fiji, as well as *Shoup's* OMSI mission's Sailors will also conduct professional exchanges with Fijian sailors and participate in community events during the port visit. Republic of Fijian Navy Maritime Commander, Commander *Ledua Yaco* and Ordinary Seaman *Samuela Basaga* were transferred on to the *USS Shoup* on a black hawk helicopter to welcome the crew. [Read More](#)



Submarines, indigenized aircraft carrier & heavy weight torpedoes are Naval Group's future plans in India: CMD

- Huma Siddiqui

Naval group of France has completed its 10 years of business in India this year. The industrial group which specializes in naval defence and marine renewable energy has been working with Indian Navy and Mazagon Dock on various projects including P75 Scorpene submarines (besides P28 ASW corvettes and AIP development with NMRL/DRDO). Rear Admiral RK Shrawat, Chairman & MD, Naval Group in India talks about the group's presence in India with Huma Siddiqui. Following are excerpts from the exclusive interview. [Read More](#)

Indian Government puts final stamp on purchase of \$2 billion Russian Frigates

The approval by the Cabinet Committee on Security (CCS) is considered the final nod for any defense procurement ahead of the signing of the final commercial contract. The CCS approval that comes just a day before the annual bilateral summit indicates that the final contract is in the offing. New Delhi (Sputnik) — A day before the India-Russia annual bilateral summit, India's Cabinet Committee on Security (CCS) has approved the procurement of four frigates from Russia at a cost around \$2 billion.

India has already contracted with Ukraine for acquiring M7N.1E gas turbine engines for powering the two frigates which are almost fully built at Russia's Yantar Shipyard at Kaliningrad. The two frigates were originally designed to be fitted with Ukraine built gas turbine engines but after the Crimean fallout, Russia stopped importing the engines from Ukraine, rendering the fleet of little use for the Russian Navy. After acquiring the engines from Ukraine, India will supply them to Yantar shipyard to be integrated into the frigate. The frigate will be also integrated with BrahMos missiles.

[Read More](#)

Indonesian Navy to send aviators for anti-submarine warfare training in India

- Ridzwan Rahmat

The Indonesian Navy (Tentara Nasional Indonesia - Angkatan Laut, or TNI-AL) is preparing to send an initial batch of three naval aviators to Kochi, India where they will undergo training at the Indian Navy's Anti-Submarine Warfare School. The training is part of the TNI-AL's effort to re-establish an anti-submarine warfare (ASW)-specific rotary-wing formation known as the Skadron Udara 100, a TNI-AL official confirmed with *Jane's* on 5 October. It will take place over a period of three months. "We usually send surface-ship naval personnel for such courses. But this is the first time we're sending naval aviators, as we are trying to develop skill sets in this domain urgently", said the official. "Besides receiving instruction in ASW theories and operations, the aviators have also been tasked to develop a curriculum that will be taught at the Juanda naval aviation base [near Surabaya]", he added.

Upon returning to Indonesia at the end of the three-month programme, the aviators will assume duties alongside the TNI-AL's newly acquired AS565 MBe Panther helicopters. Indonesia has ordered 11 new Panther helicopters to bolster the TNI-AL's embarked aviation and ASW capabilities. Two of these have been commissioned. The rest of the airframes are in various stages of completion, some of which are fitting out at the Bandung factory of Indonesia's state-owned aircraft manufacturer, PT Dirgantara Indonesia (PTDI). The helicopters' suite of ASW sensors include the L3 Ocean Systems DS-100 HELRAS dipping sonar, a lightweight torpedo launching system, and a lightweight operator console.

Source: janes.com

India may import Japanese amphibious aircraft for Navy

-Sulogna Mehta

With Japan's export policy being liberalised in recent years, allowing the country to export defence equipment, India is planning to import amphibious aircraft from Japan, said Rear Admiral Dinesh K Tripathi, Flag Officer Commanding, Eastern Fleet. The news was received on Monday. An amphibious aircraft can take off from both land and water and contenders like Shin Maywa US-2 of the Japanese navy can be used for rescue operations from air to sea.

Admiral Tripathi hinted at the possibility of India importing amphibious aircraft from Japan during an interaction with reporters on board the INS Sahyadri, at which he also announced the commencement of the Japan-India maritime exercise (Jimex 18). Concurring with Rear Admiral Tripathi, Rear Admiral Tatsuya Fukada, Commander, Escort Flotilla-4 (CCF-4), representing the Japanese Maritime Self-Defence Force (JMSDF), said, “We are looking for special strategic and global partnership with Indian maritime force, which has a high-end navy, so as to enhance peace and security in the Indo-Pacific region. We are here to establish maritime security in this region, including the Indian Ocean. We also want to promote cooperation and interoperability between the two navies. Japan is seeking active laws for security in the region.” When asked about the potential challenge from Chinese navy, Rear Admiral Tripathi said, “The Chinese navy is growing commensurate with their economy. They are doing as per their national interest. And we are also monitoring deployment of their platforms here. We are a well-balanced multi-dimensional force, well poised to take on any challenge and can operate on land, air and sea.”

Elaborating on the close co-operation between the two navies, both rear admiral Tripathi and his counterpart Fukada mentioned the maritime affairs dialogues, at the political level, with the defence minister and Prime Minister-level between Japan and India. Staff talks, port calls are also conducted routinely, besides joint naval exercises such as the recently concluded Malabar and Rimpac 2018.

Another area where the two countries are closely cooperating is counter piracy operations. “Last year, the Indian Navy helped us during a counter-piracy operation in the Gulf of Aden and we are patrolling such pirate-infested stretches in collaboration with the Indian Navy,” Rear Admiral Fukada said. For the nine-day Jimex 18, being held in harbour and sea phase in Visakhapatnam, Japanese multipurpose frigate Kaga and Inazuma — a guided missile destroyer — are participating. The Indian Navy will be represented by indigenously designed and built warships including INS Sahyadri, anti-submarine warfare corvette, INS Kadmatt, INS Krich, and fleet tanker INS Shakti. In addition, one submarine, P8I long range maritime patrol aircraft, a submarine and a number of helicopters would also be participating in the exercise. The Indian ships would be under the command of Rear Admiral Tripathi.

Source: defencenews.in, 10 October 2018

Transshipment at Indian ports accelerates

Transshipment trade demand at Indian ports, following the implementation of a liberalized cabotage policy May 21, appears to have accelerated, as ocean carriers in trades to/from the emerging market target new growth opportunities by realigning and expanding their service offerings. With the cabotage reform, foreign-flag ship operators can transport laden export-import containers for transshipment and empty containers for repositioning between Indian ports without any specific permission or license — an activity previously the exclusive domain of Indian carriers.

The Container Shipping Lines' Association of India (CSLA), in its latest report to the Ministry of Shipping, argued that cabotage relaxation has paid off with significant transshipment gains for Indian ports during September. The group — representing foreign carriers to/from India — estimated those gains at 47,000 TEU last month, an impressive 70 percent surge from 27,751 TEU in August; and from 16,543 TEU in July and 1,589 TEU in June. More notable is the fact that 32,900 TEU — or as much as 70 percent — of that projected volume was long-haul, laden cargo, with empty movement estimated at 14,100 TEU, or 30 percent.

Further, CSLA believes that in the absence of the cabotage relaxation, those containers would have moved via foreign hub ports as follows: Colombo — 19,270 TEU (41 percent); Singapore — 10,340 TEU (22 percent); Klang port — 5,170 TEU (11 percent); and others — 12,220 TEU (26 percent); those moves would have involved the use of feeder networks with heavy, extra logistics costs and longer transits for shippers.

Transshipment — global trade's local segment

Transshipment trade is freight transported between an Indian port and an international “hub” port, when direct mainline connections are not available. A new JOC.com market analysis also seems to support the estimates compiled by CSLA, as dominant major public ports substantially increased their transshipment freight in September. The September totals were Jawaharlal Nehru Port Trust with 4,136 TEU, up from 2,975 TEU in August; Cochin (DP World-operated Vallarpadam Terminal)

with 2,723 TEU, up from 1,046 TEU; and Visakhapatnam with 700 TEU, up from 392 TEU. In addition, Chennai port's tariff discount program, announced in July, for transshipment calls, appears to have worked, as it was able to attract — for the first time — 14 TEU of such freight in September. Industry sources earlier told JOC.com that CMA CGM, Wan Hai Lines, and HMM were considering a transshipment operation at Chennai for their joint New North Europe-Mediterranean-Oceania (NEWMO) service in conjunction with various feeder operators. Chennai is also drawing transshipment interest from other carriers — such as Wan Hai Lines and the Ocean Network Express alliance members (“K” Line, MOL, and NYK Line), given the cost benefits, according to market sources.

Global consulting firm McKinsey & Co., in a recent study, recommended stakeholders adopt a three-pronged program to encourage transshipment handling at key ports: first, pick up additional cargo from other ports lacking mainline calls for existing services; second, work with various carriers to introduce additional ports of call; and third, lure more carriers to call at Indian ports. Although Indian major ports have a long way to go concerning productivity and cost containment, there is a general industry view that reforms-related trade transformation has eliminated regulatory barriers that long impeded growth. As a result, India is now a dominant, vibrant BRIC nation and a significant contributor to global trade, with a promising trade outlook. A recent Maersk Line survey echoed that sentiment.

Source: www.joc.com, 08 October 2018

China's 'Belt and Road', e-commerce to redefine shipping lines

ISLAMABAD: The face of global shipping may be altered and seaborne trade flows and patterns redefined in the wake of new factors such as digitalisation, e-commerce and the China's 'Belt and Road' initiative which are increasingly unfolding, says a report issued by the United Nations Conference on Trade and Development (UNCTAD). “The value of shipping can no longer be determined by scale alone. The ability of the sector to leverage relevant technological advances to improve processes and operations, cut costs and generate value for the industry and customers, as well as the broader economy and society, is becoming increasingly important,” UNCTAD says in its Review of Maritime Transport for 2018.

UNCTAD projections are pointing to continued growth in world seaborne trade, which hinges on continued growth in GDP. At the same time, upside and downside risks to the outlook are manifold and include rising trade tensions on the downside and digitalization on the upside. At a time of growing concerns over the rise of protectionist sentiments, barrier to trade and trade disputes that may result in far-reaching detrimental impacts for the global economy and trade should be avoided to the extent possible, suggests the report.

Governments have a role to play by supporting the current positive economic trends and promoting a self-sustaining global economic recovery. This may entail, among other measures, commodity-dependent countries, it says. According to the report, relevant regulatory authorities, maritime transport analysts, as well as development entities such as UNCTAD need to regularly monitor market concentration trends in liner shipping and assess potential implications in terms of market power, freight rates, surcharges and other costs to shippers and trade.

Governments, in collaboration with the shipping industry, the private sector, and the trade and business community need to build digital preparedness and promote greater uptake of relevant technologies. This will require, among others, providing an enabling legal and regulatory framework and supporting training and initiatives to build knowledge and upgrade skills. All stakeholders, including governments, need to work together and support the development of transportation and supply chain infrastructure and services tailored for e-commerce.

Source: www.dawn.com, 07 October 2018

Sri Lanka and Bangladesh to sign Coastal Shipping Agreement shortly

Sri Lanka and Bangladesh have finalized the much awaited Coastal Shipping Agreement, and it will be signed shortly, Development Strategies and International Trade Minister Malik Samarawickrama told a recent forum in Colombo. The agreement will allow third party access for Sri Lankan vessels to East Indian ports, he said. “Coastal Shipping agreement between Sri Lanka and Bangladesh will be signed very soon after receiving Cabinet approval, which will also permit third country port usage— meaning ports in east coast of India can be used,” he said.

The bilateral deal is expected to cut down both the transshipment cost and time between Chittagong and Colombo, boosting competitiveness. Speaking of the plans to position Sri Lanka as a hub for multi-country consolidation (MCC) services, Samarawickrama said, “MCC refers to the logistics activity where less-than-container load (LCL) cargos from different origins are combined into a full container load (FCL) and shipped to their destinations. It optimises cargo flows and reduces international transport costs for firms. It is especially useful for SMEs that ship small volumes and for large companies that source small volumes of goods from multiple countries or suppliers.” Samarawickrama emphasised that in line with the fourth industrial revolution and the growth of e-commerce and B2C trade driven by digital, MCC would be a great boost to Colombo’s attractiveness as a hub for ‘3rd party logistics’ or ‘3PL’.

He also acknowledged the importance of having efficient and cost-effective logistics and shipping services for Sri Lankan exporters to become competitive in the world. While noting that Colombo port has been outperforming other ports in the region, Samarawickrama stressed, “We cannot afford to rest on our laurels. Other hubs in the region are forging ahead with reforms and new projects. “We had postponed much needed reforms. There is a lot of talk about the potential, but not enough on the actual things that we need to do to realise this potential. This MCC project will be a very specific and impactful initiative that will help to realise this potential. “It will complement the other ongoing reforms that we are doing, to make Sri Lanka an attractive place to invest, and be an attractive hub for trade.” (NF)

Source: www.dailymirror.lk, 10 October 2018

Inland waterways transport proving to be a game changer

On August 31, 1,233 tonne of fly ash set sail from Ganga to Brahmaputra for a 2,085 km long haul from National Thermal Power Corp's (NTPC) Kahalgaon power plant in Bihar off National Waterway 1 to Pandu in Assam meant for Star Cement's plant. And on September 18, the two barges of 1,000-tonne capacity each reached Pandu Island port near Guwahati via the Indo-Bangladesh Protocol route, completing the country's longest hauls in inland waterways movement sticking close to its 20-days travel schedule. "This movement will evince confidence and interest in the inland waterways sector and vessel operators as more than 10 such pilot movements have been successfully completed lately on various stretches of national ways," says an official of the National Waterways Authority of India (NWAI). "This endeavour will also

establish the water highway route from Kahalgaon to Pandu in Assam via Bangladesh border helping transportation of other goods also," said an official with NTPC. Not just fly ash, an otherwise useless by-product of power plants using coal but in high demand from cement and brick makers, all kinds of commodities from coal to cement are now being transported via inland coastal and also sea routes.

Recently, the fourth cement terminal at Cochin Port started operations with the arrival of vessel 'PennaSuraksha' carrying 25,000 tonne of cement from Krishnapatnam, which would help more cement to be transported through coastal shipping. "This will reduce cement cost, help in rebuilding Kerala state after the floods. Cement being a high-volume, low-value product, lower-cost sea transport is very important as a game changer in logistics. And this modal shift in the transport of cement from road and rail to sea is another step towards promoting coastal shipping as cost-effective and environment-friendly means of transportation as envisaged under the Sagarmala project," said an official with Inland Waterways Authority of India (IWAI). Ports in the east like Krishnapatnam are set to assume greater importance with the expected rise in exports to China starting with non-basmati rice.

Even before the fly ash consignment reached Assam, the first consignment of non-basmati rice of 100 tonne set sail for China from Nagpur on September 29. The rice, meant for China National Cereals, Oils and Foodstuffs Corp, one of China's state-owned food processing holding companies, would reach the destination. The pact to export rice to China is part of a deal between General Administration of Customs of China, Department of Agriculture and Cooperation and Farmers Welfare of India signed in June during Prime Minister Narendra Modi's visit to China. Following the deal, 19 rice mills and processing units were registered for export of non-basmati rice from India to China.

This trade is important for India from the strategic point as well, as Pakistan has so far dominated exports of rice to China shipping 2.33 lakh metric tonne worth \$83 million in the eight-month period till February 2018. Exporters from Nagpur would be using the multi-modal connectivity model launched earlier by the state-owned Concor, which started container service over rail connecting Nagpur with the port. Connecting hinterland with ports is the objective of the Jal Marg Vikas project set up for a capacity augmentation on Varanasi-Haldia stretch of the national waterways at a cost of Rs 5,369 crore with technical assistance and investment support from the World Bank. The cargo traffic on national waterway 1 (NW-1) was about 5.5 million tonne in FY18

and is expected to touch 21.89 million tonne by 2021 with the implementation of a slew of intermodal transport project, Union Minister Nitin Gadkari said recently.

Source: www.dnaindia.com, 10 October 2018

India asks Bangladesh to use Kolkata, Haldia as transshipment ports

Initiative will reduce coastal shipping rates, boost bilateral trade

India has urged Bangladesh to use Kolkata and Haldia ports for transshipment purposes. The initiative can make coastal shipping more cost effective for bilateral trade, thereby shifting cargo from the costly land route, and create an opportunity for Bangladeshi garment exporters to reach European and American markets avoiding congestion at the Chittagong port. Indian customs authorities have already cleared the deck for Bangladesh to use Haldia as a transshipment port. However, Bangladesh is yet to approve the same. The proposal was reiterated at a ministerial meeting in Dhaka earlier this week. At the crux of the proposal is the growing need to augment handling capacities on either side, keeping in tune with growing trade volumes.

India-Bangladesh trade grew 38 per cent to \$9.1 billion over the last four years. On a year-on-year basis, the trade grew 24 per cent in 2017-18. This was followed by nearly 22 per cent growth in April-July 2018. Keeping in tune with the trend, movement of bilateral cargo through coastal shipping is also rising. During the first six months of FY19, the port handled approximately 4,000 containers traded between the two nations. This is higher than 3,700 boxes handled in the full year of 2017-18. But there is a problem. As the overall trade is heavily in India's favour, the volume of return cargo from Bangladesh is abysmally low. The low capacity utilisation keeps the coastal freight rate — between Pangaon river terminal near Dhaka and Kolkata — at a high of \$13.5 a tonne.

According to Sharad Varma, Managing Director of the Kolkata-based shipping agent, B Ghose & Co, availability of return cargo can bring down the freight rate by at least \$4 a tonne, helping both the sides to access each other's market at a lower cost. For Bangladesh there are twin opportunities Lower trade costs will boost its garment exports to India. Categorized under HS codes 61 and 62 by the Ministry of Commerce, India's garment imports from Bangladesh under the two categories increased by 52

and 88 percent respectively during April-July. The key to opportunities lies in transshipment. Majority of Bangladeshi garment exporters are concentrated in and around Dhaka and their main markets are located in Europe and America. Currently, goods are transported by road to Chittagong port from where it is shipped via Colombo or Singapore.

Congestion at Chittagong

The road movement and the 10-12 days waiting period at Chittagong due to congestion, makes this logistics costly. Moreover, international garment trade is highly time sensitive and the congestion at Chittagong adds to the export risks. Bangladesh is expanding the capacity of Chittagong port but it is bound to take time. If Dhaka responds to India's proposal, Bangladeshi exporters can send their products from Pangaon to Haldia to be loaded on to Colombo or Singapore-bound ships. The whole process will be completed in a maximum of three to four days. While there is no available cost estimate, Indian officials expect shipping lines to tap the opportunity and offer competitive rates to make the proposition viable. "We are trying to create options to facilitate trade. As per our preliminary discussions with shipping lines, transshipment operations through Haldia will be competitively priced to attract users. The gains are shared," said an Indian official.

Source: thehindubusinessline.com, 11 October 2018

Major ports see positive growth in efficiency due to government's policies

Businesses run or should run on efficiency. From raw material to finished goods and till it reaches the hands of the ultimate consumer, efficiency plays an important role or rather can also say that inefficiency too plays an important role. At any point, if an activity is carried out in an "inefficient" manner, it adds to the time and cost. These costs then get added to the price of the product and ultimately recovered from the consumer. Money being a scarce resource, businesses always try to maximize efficiency thus thereby maximizing profits and providing same goods at cheaper prices. Some of the inefficiencies are caused due to government's actions. For example, the ports and how they manage cargo containers could add a significant amount of time and cost to the price of the goods. Port's are the lifelines for export-import trade. An estimate states that 90% by volume and 70% by value EXIM trade in India is managed via ports. Hence any inefficiency at this end will have devastating effects on the economy. [Read More](#)



MARINE ENVIRONMENT



A Collision between two ships off the Coast of Corsica: The fear of Pollution

- Dave Zakarian

Two boats, a ship ro-ro ship tunisian and a container ship cyprus collided Sunday morning in the north-west of cap Corse, causing a breach in the hull of the container from which escaped a trail of liquid, no doubt, of the hydrocarbon. Neither vessel was reported injured. “For the time being, of the damage to be significant due to the collision, have led to a gap of several metres in the hull of the cfa Virginia. A water is also observed around the two ships, its nature has yet to be confirmed,” said the maritime prefecture in Toulon, france in mid-day. In the middle of the afternoon, the prefecture preferred to talk about “drag” of the liquid, spread over a hundred meters, and headed for the wide.

Sunday morning around 7: 30 am, a vessel ro-ro ship tunisian, Ulysses, came in collision with the container ship cyprus, CLS Virginia, then at anchor about 28 km north-west of cap Corse “The container, which was empty, had asked the anchor,” said the maritime prefecture in Toulon, france. Although located far from the coast, the anchorage is made possible in this place, outside of territorial waters, with a tongue of sand, which goes back to the level of the seabed up to fifty metres.

-“maybe too fast”-

The ship ro-ro ship served the route from Genoa, Italy to Tunis. “It would perhaps be too quickly compared to its capacity of reaction”, indicated to the AFP a source close of the investigation, according to which, the container being empty, the liquid that escapes is not from a shipment, but without a doubt, “one of the crates of fuel” the ship of cyprus. The accident happened while the weather and the sailing conditions were good, with little sea and a wind of 7 knots (10 to 15 km/h). The Tug of Intervention, assistance and rescue (RIAS) Bee Flanders sailed Sunday morning from Villefranche-sur-Mer (Alpes-maritimes) to join the two ships. The Building assistance, support, and remediation (BSAD), Jason, has also sailed from Toulon. “The latter has, in the course of the morning, embarked the whole of his means in the fight against marine pollution”, said the maritime prefecture.

The regional Centre operational surveillance and rescue (CROSS) of The Guard (Var), which coordinates the operations were called Sunday morning to the intervention of a helicopter of the national police to make a technical evaluation by a team of experts, specialists in the maritime environment, and this type of incident. Italy has also offered its assistance, within the framework of a tripartite agreement permanent, the agreement Ramogepol, concluded between France, Monaco and Italy for the fight against accidental marine pollution in the Mediterranean. “The Italian authorities have offered help, we accepted it and activated the mechanism,” said the maritime prefecture to the AFP. The implementation of this agreement is quite rare but exercises are often performed once a year. “We tested last week, in Sardinia,” she pointed out. In a first time, the rescue will endeavour to assess the risks and establish a dam in order to restrict the extension of the trail. A judicial investigation will “establish the individual and collective responsibilities”, according to a source close to the folder.

Source: kozpost.com, 07 October 2018

In the Arctic, Increased Vessel Traffic Brings Concerns Over Pollution

- Eleanor Huffines

Vessels traveling the northern Bering Sea must navigate three sets of rules depending on their size, type, and distance from the coast. Melanie Smith U.S. Fish and Wildlife Service While some of the vessels, which are led by large cargo ships, tugboats, and research ships, provide important services for people, science, and commerce, they also present serious and growing challenges, especially given that the traffic is forecast to continue increasing. The health of this marine environment is inextricably connected to the way of life and cultural well-being of the region’s Indigenous peoples. The Bering Sea area has been an ecological, cultural, and economic center for Yup’ik, Cup’ik, St. Lawrence Island Yupik, and Inupiaq peoples for millennia. The northern Bering Sea also supports local commercial fisheries for herring, crab, halibut, and salmon.

Unfortunately, the rules that govern vessel waste management in the region are complex and vary greatly depending on ship type, size, place of origin, destination, and distance from shore.

A new analysis from The Pew Charitable Trusts, “Vessel Waste a Growing Challenge in the Northern Bering Sea and Bering Strait,” examines four major sources of waste discharged into the sea and provides the following recommendations for international, U.S., and Alaskan authorities to improve regulation, monitoring, and enforcement:

1. Increase accountability for onboard trash record-keeping and enforce rules that limit garbage, particularly plastics, entering the water.
2. Require that all vessels treat sewage to a high, consistent standard before discharging; prohibit releases of untreated sewage into the marine environment; and mandate more frequent monitoring, testing, and discharge reporting.
3. Regulate grey water as a pollutant, similar to sewage, that must be treated on board before discharge.
4. Prohibit oil and oily water discharges from ships in all northern Bering Sea waters.

This analysis provides valuable information and a resource for Alaskan coastal communities concerned with the health of the marine environment. The recommendations provide a starting point for Alaskans and international, federal, and state policymakers to work together to limit marine pollution in the vulnerable Arctic ecosystem.

Source: www.pewtrusts.org, 16 Oct 18

Water-soluble 'plastic' may reduce ocean pollution

The innovation, jointly developed in China, could reduce the threat the material poses in seas across the world. Chilean businessman Roberto Astete has had the same dream for several years: used plastic cutlery from a dinner party is automatically sorted and fed into small grinders, after which the debris is dissolved in water in just a few minutes before being flushed away. "We wouldn't need to collect, transport and dispose of plastic waste at special facilities anymore. It could be processed easily on-site to reduce ocean pollution," he said. Now, Astete's dream is almost a reality thanks to a new material and processing technology devised by his partner company in South China. In late July, Astete's company Solubag SpA and Polye Materials Co, in Guangdong province, jointly launched a series of soluble shopping bags in Santiago,

capital of Chile, just before the Chilean government enacted a law that banned businesses from providing customers with free plastic bags. It takes centuries for petrochemical plastic bags to degrade in the ocean – in the meantime they choke marine animals and harm the entire ecosystem. The bag introduced by the two companies dissolves in water quickly, and Astete even drank the mixture during a press conference to endorse its safety. According to Chen Gang, chairman of Polyrocks Chemical Co, Polye's parent company, the bag is made from modified polyvinyl alcohol, aka PVA, which comes from natural gas or calcium carbide. "PVA bags dissolve in water in minutes so they won't choke marine animals. The solution will not pollute water or soil," Chen said. "This alternative to plastic bags is eco-friendly."

PVA has been used in paint, glue and textile manufacturing since the 1930s, and PVA film has also been widely used for packaging in recent years. However, it was difficult and costly to process the material into shopping bags because of its lack of thermoplastic (pliability when heated), said Cui Yuefei, the bag's inventor and a senior engineer with the South China University of Technology in Guangzhou, capital of Guangdong. Cui spent years modifying PVA in laboratories and completed his experiments in 2008. By adding certain agents, he made it easier for the material to be pelleted, blow-molded and made into bags.

Source: chinadaily.com.cn, 11 Oct 18

Team of sailors raise awareness in Pacific on growing concern of plastic pollution

A team of sailors, actors and biologists are on a five-month expedition across the Pacific Ocean to raise awareness on the growing concern of plastic pollution. According to Fiji Broadcasting Corporation (FBC) on Thursday, the Eat Less Plastic team is currently docked at Port Denarau Marina, Nadi, the third largest city of Fiji and will over the next few days start their campaign in Fiji. Captain Phil Somerville, a Hollywood actor (*Zero Dark Thirty* and stuntmen in *Mission Impossible*), said they started their campaign from California in May and have sailed to seven island states before reaching Fiji. Somerville said plastic pollution was a huge problem and they wanted to educate people on this. "We've got a big problem here with plastics. It's a global problem, it affects the world and all the fish in the ocean so that's why I'm doing something about it." Other crew members with him include *Grey's Anatomy* actor Martin Henderson, Magen Schifiliti, a marine biologist from Hawaii, and co-skipper Chris Dickson who is also a professional yacht racing skipper including five America's

Cup. He said they will be going to schools and communities to raise awareness on this growing plague of plastic pollution in oceans and marine life. The crew will also be holding a clean-up campaign at the Wailoaloa Beach in Nadi on Fiji's Western side on Saturday. Eat Less Plastic's mission is to continue to strengthen the plastic pollution conversation voice to spur change in global policy in a unique way.

As they visit the Pacific islanders, they will learn what they are doing to develop solutions based on their understanding and respect for the ocean. Their positive practices can be a model for others, helping to bring awareness to plastic pollution in oceans.

Source: xinhuanet.com, 11 Oct 18

How genetics and pollution are threatening wild dolphins

- Meena Miriam Yust

Dolphins are beautiful, highly intelligent and uncannily human in their interactions. Yet, they also have a language we humans cannot fully hear, and a culture that is in some ways similar to our own, and in others, a complete mystery. Like us, they have circles of friends and acquaintances, with different greetings for different individuals, as if by name. They travel swiftly within a home range of about 100-square kilometers but can go further when they want to. They have the sleek design of a jet plane fuselage and the intelligence that comes with a 1,600-gram complexly structured brain. (The human brain is 1,300 grams.)

Found in almost all the world's oceans, they communicate with friends and family through clicks and whistles, and echolocation allows them to view the world around them. They pass on knowledge of culture and tools through the generations from mother to daughter, a matrilineal line that preserves and protects their heritage. Approximately 40 species of dolphins exist. Many belong to the Delphinidae (ocean dolphin) family, including the orca; others live in rivers. Collectively, there are approximately 90 species of cetaceans, the order comprising whales, dolphins and porpoises. Scientists analyzing the dolphin brain have determined that, like us, they possess a very complex neocortex — a region of the brain linked to awareness, emotions, problem-solving and other human-like abilities. Further, the limbic (emotional) system in some species is even more complex than humans.

These sensitive creatures have made the headlines in the past few months. An endangered orca known as Tahlequah mourned the tragic loss of her baby, carrying her dead calf for a record 17 days and 1,000 miles on what some have deemed a “tour of grief.” [Read More](#)



India signs missile shield deal with Russia, hopes for US ok

India defied the threat of US sanctions to sign a contract with Russia to supply five S-400 Triumf missile defence systems on Friday, bolstering its shield against possible air attacks from Pakistan and China. The issue of whether India would disregard the US threat of applying sanctions under the Countering America's Adversaries Through Sanctions Act (CAATSA) and ink the over \$5-billion deal had dominated attention on the annual summit between PM Modi and President Putin. Though discussions on the S-400 preceded CAATSA by several years (talks started in 2015), the US had earlier this week cautioned countries against helping the Russian economy by buying weapon systems from them.

For all the warning, the US response was guarded, even empathetic of India's defence needs. A US embassy spokesperson said they would not "prejudge sanctions decisions". [Read more](#)

Amid US friction, China wants India to deepen trade ties

NEW DELHI: Amid trade friction between China and the US, Beijing has called for India and China to deepen their cooperation to fight trade protectionism. Facing unilateralism and bullying activities, the Chinese embassy said here in a statement, China and India had more reasons to join efforts to build a more just and reasonable international order. [Read More](#)

Putin's visit and the S-400 deal will test India-US relations

The brief no-frills visit of Russian President Vladimir Putin to Delhi (October 5) for the 19th India-Russia annual summit has been substantive in the final outcome and has infused high-level political traction to a bi-lateral relationship that is important for both nations but had remained moribund in recent years. Predictably the military supplies component was the most visible and the Russian built S-400 multi-layered air defense system that India seeks to acquire had elicited considerable attention , more due to the impact this would have on the India-US relationship.

While both nations signed on the dotted line confirming that Moscow will provide the S-400 to India at a cost of US \$ 5.43 billion, the announcement itself was subdued. A brief sentence was included in the joint statement, which noted that both countries “welcomed the conclusion of the contract for the supply of the S-400 long-range surface-to-air missile system to India.” Contrary to pre-summit expectations, the two sides were unable to finalize the other major military inventory items, such as stealth frigates for the Indian navy and assault rifles for the army.

Symbol of political resolve

While India and Russia signed major agreements in other fields such as space, nuclear energy, railways and anti-terrorism cooperation, the S-400 has become both the symbol of the political resolve that now animates the five decades old India-Russia relationship and a litmus test for the resilience of the relatively nascent India-US relationship.

It may be recalled that the S-400 was also acquired from Russia by China and the US invoked its 2017 CAATSA (Countering America's Adversaries Through Sanctions Act) legislation against Beijing in September for engaging in ‘significant transactions’ with Russia. This legislation was given more teeth after Mr. Donald Trump assumed office as the US President. Other ‘adversaries’ identified by the USA include Iran and North Korea and the Russia /S-400 issue apart, Delhi will also have to steer its relations with Iran through the Trump driven CAATSA mine-field in coming months.

The S-400 deal has been on the Indian radar for some years and while the credibility of air defense systems – particularly against ballistic missiles, hyper-sonic cruise missiles and rogue drones is yet to be rigorously proven, most major powers have invested in this defense system. The US has introduced and exported the THAAD (Terminal High Altitude Area Defense) to ward off ballistic missiles and it is claimed that limited area defense can be established effectively. More often than not, national capitals that house the command and control of strategic forces are the prime choice for such air defense systems.

Will the USA invoke the CAATSA provisions against India for this S-400 ‘transgression’ as it has in relation to China or announce a waiver? In a cautious response, the local US embassy in Delhi noted that: “The waiver authority is not for a blanket waiver. It is transaction-specific. Waivers of CAATSA Section 231 will be considered on a transaction-by-transaction basis. We can't prejudge any sanctions

decisions." It was further added that the US intent in relation to the CAATSA was to impose costs on Russia for what has been described as its 'malign' behavior by stopping the flow of significant money to Moscow and that the legislation was not intended to "impose damage to the military capabilities of our allies and partner."

India is in an anomalous position in relation to the USA and Russia apropos its military inventory dependency. Unable to overcome the ignominy of being the world's largest importer of arms , Delhi has in effect distributed its strategic dependency between Washington and Moscow and has acquired major military platforms from both Cold War adversaries. This could be characterized as 'anomalous-alignment' by Delhi, which like many other capitals, (ostensibly friendly to the USA) is grappling with a capricious Trump led US foreign policy. Canada is illustrative of the predicament of US allies and partners who have to 'deal' with US President Trump.

The complexity for India is the China factor – a strand that has strategic relevance for both the USA and Russia. India has deep-seated anxiety about Chinese intent in Asia and the 4,000 km long unresolved territorial cum border dispute that led to the October 1962 war festers. China's economic-trade profile is much larger than that of India and both Asian giants are wary of the other. Paradoxically the emergence of China as the world's number one GDP nation within this decade has deep implications for both the US and Russia. A bruising trade war has already begun between the US and China and its long term impact on the global economy will be corrosive to the current orientation of economic and trade related globalization.

Russia remains economically vulnerable and unlike its principal interlocutors (USA, China and India) Moscow does not figure in the top 10 nations as per GDP projections for 2018-19. Despite the current cooperation between Russia and China, there is latent misgiving about the bear being enveloped in the dragon's suffocating embrace. On current evidence, neither demography nor geography favor Russia over China's creeping assertiveness. Consequently India is a distinctive swing-state in the complex and imbalanced quadrilateral that links the USA, China and Russia with the lumbering elephant. Would it be strategically prudent for the Beltway to lower the CAATSA boom against Russia, China and India simultaneously? For India, the challenge will be to retain a degree of stability in its relations with Washington even as a deadline looms large in early November in relation to both Russia, Iran and CAATSA. In an unintended way, the Putin visit will test the resilience of the India-US relationship.

Source: english.alarabiya.net, 06 Oct 18

Indo-Pacific: 'A line of confrontation between China and the US, not between China and India'

The Institute of Social Sciences (ISS), New Delhi and Centre for Vietnam Studies (CVS) jointly organized a daylong conference on "Challenges and Opportunities for India in the Indo-Pacific Region" Monday 8 October, 2018 at the CVS Conference room. Senior diplomats, high level officers and members of policy bodies and academia spoke about different challenges, issues as well as opportunities for India in the Indo-Pacific Region.

HE Mr Pham Sanh Chau, Ambassador – Designate, Embassy of the Socialist Republic of Vietnam delivered a special address highlighting the significance of India's relations with Vietnam as partners in history and common good. He said that Vietnam was willing to participate in any initiative and/or join any regional grouping or structure provided that that initiative has to impress the four fundamental elements of peace to ensure the grouping is peaceful. First, it should be inclusive, that is open to everybody. Second, it should respect international law, including law of the sea. Third, it should not be a grouping or meeting of only two major countries: Indonesia and Vietnam but, it should also bring in ASEAN which has ten countries. Fourth, it should respect independence of individual countries.

Vice Admiral Pradeep Chauhan (Retd), Director, National Maritime Foundation, New Delhi flashed important points on the Maritime Challenges & Opportunities for India in the Indo-Pacific Region. He asserted that since China heavily depended on external merchandise-trade, its "economic growth demands ever greater resources of raw materials and petroleum-based energy," therefore the bulk of its imports of these resources are being drawn from increasingly distant areas that are either accessible only by sea or where seaborne transit offers the most cost-effective movement in terms of volume, time and space.

Although the USA has allowed itself to be hopelessly outplayed in the South China Sea (SCS), "Xi Jinping is highly unlikely to be satisfied with China being merely a SCS power", Mr Chauhan said adding that with the geographic competition between India and China coinciding in the India Ocean, this is the 'probable theatre of confrontation' adding that instead of India's it is the "USA's next defensive line".

It is in this backdrop that China is widening its connectivity for which Belt & Road Initiative and ASEAN Master Plan for Connectivity are important. In order "to attain

its geo-economic objectives China is working on "Extractive" model of connectivity" while India is working on an "Inclusive" model in its geo-strategy, Mr Chauhan said. He also outlined the challenges of physical connectivity that China has been grappling with, and stated that India was not throwing capacity but capability in its foreign policy pursuits. An AVSM, VSM, the former senior Indian Navy officer acknowledged Islam's role in terms of cultural development.

Ambassador Rajiv Bhatia, former Indian Ambassador to Myanmar chaired a session on "Stakes and Perspectives of Global and Regional Powers" in which Prof Baladas Ghoshal, Prof Srikanth Kondapalli and Prof Sanjay Kumar Pandey provided rich insights. On the question of India's stand on Iran's position in the Indo-Pacific, Dr Gurpreet S. Khurana said, "Iran is a very important actor and an important part of India's look west and its think west policy" stating that we have to be 'very cautious' as there are practical functional hurdles. Elaborating on that he said that there are three actors there where India has to balance its relationships: Iran-Iran, GCC (Gulf Cooperation Council) and Israel, with the set of complexities involved.

Chairing the session on "Economic, Security and Maritime Dimensions" Prof S. D. Muni emphasized the need for a holistic, inclusive model in which India should work on its strengths as a country with great diversities where role of Islam should be acknowledged and used in its global projection as a democracy that can serve as an ideal for other countries. Probably to this end he also suggested to have better relations with neighbouring countries looking at their hopes and promises from their perspectives rather than assuming them permanent enemies.

Earlier, two sessions were devoted to "India's Vision of the Indo-Pacific Region" and the "Situation in the Korean Peninsula and Emerging Challenges". Dr Ash Narain Roy, Director, ISS and Prof Partha S. Ghosh, former Professor of South Asian Studies, JNU chaired the sessions. Lt. Gen (Retired) S. A. Hasnain, Chancellor of Central University of Kashmir delivered the Keynote Address during the inaugural session. Dipanjan Roy Chaudhury, Senior Assistant Editor, Economic Times; Dr Rajaram Panda, Lok Sabha Research Fellow; Dr Jojin John of Indian Council of World Affairs and Dr Shreya Pandey, Fellow, Nehru Memorial Museum and Library contributed with well researched papers.

Source: www.merinews.com, 12 Oct 18

Xinhua Headlines: Europe, China join hands drawing maritime blueprint

Upon entering the ship repair zone at the port of Piraeus, southern Greece, one could easily notice the immense floating dock painted in black and red and mirrored in the glossy Aegean Sea. Not far from the giant dock is a much smaller old one, lying idle, rusty. The "Piraeus 3" that arrived in March from Shanghai, eastern China, has greatly improved the capacity of the local ship repair business, a regional pillar industry hard hit in the debt crisis, according to Li Weina, general manager of the shipyard.

Running the shipyard at Piraeus has been the first concrete project since 2016, when China Ocean Shipping Company (COSCO) took over the operation of the port of Piraeus. The port is seen as the southern gate of Europe. On Sept. 28, Greek Parliament Speaker Nikolaos Voutsis visited the Piraeus Port Authority. A press release issued by the parliament said that Piraeus was the fastest growing port in the world, now ranking 7th place in Europe and 37th worldwide based on the projects carried out in recent years. "The investment of COSCO Shipping in the port of Piraeus has proved to be mutually beneficial to both sides and it is important that it, in a difficult period, helps the country overcome the crisis," Voutsis was quoted as saying. Following the Greek debt crisis that broke out in 2009, thousands of workers lost their jobs and machines were down at the port. The picture is different now -- some 3,000 people are hired to do the services outsourced by COSCO, and even thousands more jobs have been created in the peripheral industries since COSCO made the 1-billion-euro (1.15 billion-U.S.-dollar) investment. A similar scenario is seen in Belgium, western Europe, where COSCO acquired the port of Zeebrugge in late 2017 and brought in strategic investors in 2018. COSCO bought 76 percent shares of the Zeebrugge port in November 2017, and plans to build a diversified logistics service platform, together with the Zeebrugge Port Authority, to serve the entire continent and the British Isles. Standing at the crossroads of northwestern Europe, the port of Zeebrugge is located on the shore of North Sea, reaching the Hamburg-Le Havre area, facing Britain across the strait, and connects to the railway network extending to the rest of Europe.

Trade Growth Witnessed

Before the acquirement of the port of Piraeus, COSCO had participated in its operation for eight years already, helping enlarge tremendously the throughput from 680,000 Twenty-Foot Equivalent Units (TEU) in 2008 to 4.15 million TEU in 2017. A TEU is one 20-foot-long cargo container or its equivalent.

Encouraged by the China-proposed Belt and Road Initiative, a water-land express has been established to link the port terminals to the China-Europe railroads, along which the cargo trains are now running at a frequency of 17 trips per week inbound and outbound at the port. Greece is not the only European country that has seen the rise of trade with China. At the port of Rotterdam, the Netherlands, its throughput of containers has been increasing in the past five years, with a quarter of its inbound cargo coming from China. Moreover, nearly half of China's deep-water cargo routes to Europe choose the largest European port as their first stop. In northern Europe, COSCO's new fleet has started to dock at the Helsinki cargo port to help local pulp and wood producers increase their exports to the Chinese market. The modern ships with the latest design can take voyage both in the high north and down the Indian Ocean.

Finland is the world's largest exporter of softwood pulp, and about one-third of the pulp is exported to China. With the new vessels, which are particularly suitable to load pulp products, COSCO is expected to transport more than 1.1 million tons of Finnish goods to China in 2018, 30 percent higher than last year.

Maritime Ties Strengthened

Mutual economic benefits have been guaranteed by the improved maritime business - more investment in ports, better design in cargo vessels and stronger link between harbors and railways. All of this has gained momentum since the idea of building the 21st Century Maritime Silk Road was put forward by China five years ago. The blueprint aims at economic rise along regions, including southeastern Asia, southwestern Asia, eastern Africa and many coastal areas in Europe. The combination of the 21st Century Maritime Silk Road and the Silk Road Economic Belt is also popularly known as the Belt and Road. Trying to rejuvenate the ancient trade routes, the initiative calls for better connections and stresses common interests between different nations. It has been welcomed by European businesses and politicians. "China's Belt and Road Initiative and the position of the Netherlands as the gateway to Europe offer further opportunities for cooperation," Hanneke Schuiling, director general for Foreign Economic Relations of the Dutch Ministry of Foreign Affairs, told the audience during a ceremony in the Hague on Sept. 27 to celebrate China's National Day. Concerns over the ambition are not non-existing though.

COSCO's investment in the port of Piraeus and its plans to upgrade the shipbuilding zone "will have to deal with the older mentality", said Elias Hajiefremidis, president of the Worldwide Industrial & Marine Association headquartered in Greece.

He admitted that the "rigidity" may come from public or private operators. "However if there is communication between all the stakeholders that make up the chain, a common line will definitely be found, always in the light of the common interest," Hajiefremidis underlined. "After sixty years of presence in the shipping industry as shipping agents operating in Piraeus and in the wider Greek area, we have always been convinced that anyone who deals with the sea will never be damaged," he told Xinhua.

Source: www.xinhuanet.com, 12 Oct 18

Belt and Road Initiative facilitates economic cooperation among China, ASEAN, South Asia: research

KUALA LUMPUR, Oct. 10 (Xinhua) -- With China now a major contributor to global growth, involvement in the Belt and Road Initiative could help strengthen links within ASEAN and South Asia and with China, said Standard Chartered Global Research in a report issued Wednesday. China's economic relationship with the region has deepened in the past decade, and the improved trade is the most obvious indicator of the closer relationship, the research house highlighted. According to the report, imports from ASEAN and South Asia accounted for 14 percent of China's total imports in 2017, versus 10 percent in 2000. Meanwhile, exports to the area made up 16 percent of China's total exports in 2017, double 8 percent in 2000. "Lower cost of logistics is another key reason for the region to increase connectivity. In addition, the long-term growth outlook for the region and for China remains upbeat, which should generate further trading opportunities," it said.

The report also said that the Belt and Road Initiative has generated significant interest among countries in region, given their substantial infrastructure needs and China's ability to offer the expertise to deliver large-scale infrastructure projects. Besides the allure of infrastructure, it opined that China's increasing economic influence in the region has also sparked interest in the other goals of the initiative, including enhanced and broader connectivity - in policy coordination, unimpeded trade, financial integration and "people-to-people bonds." The report also pointed out the need to tackle the challenges posted by short-term cost of some major projects to reap the long-term benefits of better infrastructure.

It suggested better project planning, tackling of financing hurdles, adequate legal frameworks to facilitate infrastructure development, as well as the need for better local cultural awareness. Proposed by China in 2013, the Belt and Road Initiative aims to build a trade and infrastructure network connecting Asia with Europe and Africa along the ancient trade routes of the Silk Road. It comprises the Silk Road Economic Belt and the 21st Century Maritime Silk Road.

Source: xinhuanet.com, 10 Oct 18

How Donald Trump's withdrawal from landmark trade deal became a setback for democracy in Vietnam

It was one of US President Donald Trump's very first acts: to pull out of the Trans-Pacific Partnership, a sweeping 12-nation trade agreement that had been the centrepiece of President Barack Obama's strategic "rebalance" toward Asia. Trump had charged that such deals hurt American manufacturing, and on January 23, 2017, he signed the withdrawal order in the Oval Office. "A great thing for the American worker, what we just did," Trump said.

With that, he set in motion a political and economic storm that is still reverberating in Vietnam. Freed from conditions imposed by the Obama administration to join the trade pact, Vietnam's Communist government has scrapped plans to allow independent trade unions and unleashed its most severe clampdown on dissent in decades. Authorities have arrested scores of social activists, bloggers and democracy advocates, sentencing many to jail terms of 10 to 20 years.

Vietnam offers an example of the little-noticed fallout from some of Trump's earliest decisions. The Trans-Pacific treaty, known as the TPP, quickly faded from American headlines as Trump launched high-stakes trade battles with China, Europe, Mexico and Canada. But the abrupt policy change has had far-reaching ripple effects, according to diplomats and activists. "As soon as America withdrew from the TPP, you saw a radical change in the way [the Vietnamese] government treated workers, labour activists and unions," said labour activist Do Thi Minh Hanh, 33, speaking in a cafe in Ho Chi Minh City. "A lot of people have been harassed, followed, imprisoned and threatened."

Trump's policy change wasn't the only factor in the Vietnamese crackdown – hardliners had become dominant in the Communist Party and were concerned about a rise in social activism and protests. Nor is he solely responsible for the fate of the TPP. Obama had failed to persuade a sceptical Congress and public of the deal's merits before leaving office, with the result that his signature Asian foreign policy initiative was widely maligned. Indeed, such was the prevailing mood that candidate Hillary Clinton signalled her intent to pull out of an agreement she had once lauded as the “gold standard” of trade deals. [Read More](#)

Source: www.scmp.com, 17 Oct 18