



MAKING WAVES

Fortnightly E-News Brief of National Maritime Foundation

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New Warship to Boost Security for the Nigerian Navy

- Kevin Nengia

The Rivers State Governor, Chief Nyesom Wike, has pledged a gift of a new warship to the Nigerian Navy to boost security in the state. Wike, who said this, explained that security is top on the list of priorities for his administration, pointing out that there cannot be any governance if there is no security. The governor made the pledge during the courtesy visit of the New Chief of Naval Staff Vice Admiral Ibok-Ete Ibas, and his entourage, at the Government House, Port Harcourt on Friday. In his words: “Our government will always partner with security agencies in the state. We have always worked together I mean the Navy, Air Force, Army and Police. We have collaborated robustly to tackle the security challenges in Rivers State.”

The state chief executive commended the Navy for managing to contain all maritime security challenges in Rivers State despite its limited logistic resources. The governor recalled that the immediate past administration usually recorded four or five cases of kidnapping per day, but since his administration assumed office in May, kidnapping cases have become very few. The state chief executive also observed that major military formations; Army, Navy and Air Force were located in Obio/Akpor Local Government Area, where he served as local government chairman for six years, thereby underscoring the importance of the said local government area in the security of state. The newly appointed Chief of Naval Staff, Vice Admiral Ibok-Ete Ibas, thanked the governor for his past support of the Nigerian Navy.

He noted that Rivers State had the second highest number of Naval units in Nigeria, and this made it imperative to seek the support of Wike’s administration in furthering the security and development of the state.

Ibas, said, “We have the manpower, but lack the necessary equipment such as shipping vessels and other logistic support to do our job more effectively”. The Naval chief maintained that investing in the Navy will enhance their effectiveness and ultimately lead to attraction of investors to do business and improve the economy of the state.

Meanwhile, the Rivers State Governor, Chief Nyesom Wike, has warned that no erring contractor shall escape the wrath of the law in the state. Wike disclosed this at the weekend when he paid an unscheduled inspection visit to project sites at Iwofe/Wimpy Road in Obio/Akpor Local Government Area of Rivers State.

“I want to tell you that if I find any contractor wanting, the law will take its course. We are not going to spare anybody. For now, no contractor has shown that tendency”, he said. The state chief executive also expressed satisfaction with the progress and quality of work done on some of the road projects in Obio/Akpor. Wike maintained that, “We are quite impressed. We will give the contractors additional funds to enable them complete the roads on schedule”. He added that, despite the heavy rains, the projects were progressing at an impressive pace.

Source: [The Tide](#), 17 Aug 2015

US To Upgrade Maritime Security Partnership with India

- Press Trust of India

With strategic convergence of India's Act East policy and America's re-balance to the Asia Pacific region, the US has developed a three-pronged approach for maritime cooperation with the country that includes upgrading the bilateral partnership in this sphere.

"Given our broad shared interests in maritime security, the Department (of Defence) has developed a three-pronged approach to maritime cooperation with India," the Pentagon said in a report sent to the US Congress yesterday. This approach includes maintaining a shared vision on maritime security issues, upgrading bilateral maritime security partnership and collaborating to both build regional partner capacity and improve regional maritime domain awareness.

First, the US and India's shared vision for maritime security in the region is reflected in the January 2015 Joint Strategic Vision for the Asia-Pacific and Indian Ocean Region. In the vision document, the two countries affirmed the importance of safeguarding maritime security and ensuring freedom of navigation and over flight throughout the region, especially in the South China Sea.

This Joint Strategic Vision and the September 2014 US-India Joint Statement also called on all parties to abide by international law, including the Law of the Sea Convention, to resolve maritime disputes and to avoid the use, or threat of use of force.

Further, the Department of Defence and the Indian Ministry of Defence are upgrading their bilateral maritime security partnership, through growing bilateral exchanges between military personnel and by engaging in military exercises, the report said. Recent visits to India by then Commander of the US Pacific Fleet Admiral Harry Harris and Secretary of the Navy Ray Mabus have highlighted the importance of naval engagement to the overall defence relationship.

To bolster operational maritime cooperation, India has participated in the RIMPAC multilateral exercise and the two sides conduct the annual flagship naval exercise MALABAR, it said. According to the report, the Pentagon is actively working to support the Indian Navy through the Defence Technology and Trade Initiative (DTTI).

The two sides agreed to enhance maritime technology cooperation, in part, by forming a working group to explore aircraft carrier technology sharing and design, it said.

Source: [Business-Standard](#), 21 Aug 2015

Japan Coast Guard Aims to Deploy Unit on Remote Island to Deal with Chinese Boats

- The Yomiuri Shimbun

The Japan Coast Guard is expected to deploy a unit on a remote island in Okinawa Prefecture to guard against repeated incursions into Japanese waters by Chinese fishing boats around the Senkaku Islands, JCG sources said. The JCG has its eye on Nagayama Port on Irabujima island as the site for a base where the unit would be deployed. The coast guard hopes to deploy the unit in two years to three years, but eventually hundreds of personnel, according to the sources, would staff the base.

Irabujima is considered a prime site for the new base as it is close to the larger island of Miyakojima and is large enough to accommodate a sizable number of personnel. The island is about five kilometers northwest of Miyakojima and about 170 kilometers southeast of the Senkaku Islands. According to the JCG, up to 1,000 Chinese fishing boats sail in waters around the Senkakus, and they repeatedly intrude into Japan's territorial waters, where they engage in illegal fishing.

The number of incursions into territorial waters by Chinese fishing boats stood at 39 in 2012 and 88 in 2013. Last year, however, the figure surged to 208, a figure likely to be repeated this year. When a large number of Chinese fishing boats headed for waters off the Ogasawara Islands to poach for coral in autumn last year, many of them passed through waters between Okinawa Island and an area near Miyakojima

and Ishigakijima islands. According to some observers, Chinese fishing boats should be prevented from passing through this area.

Since fiscal 2012, the JCG has deployed 12 large patrol vessels and about 600 personnel to deal with intrusions by Chinese public vessels near Ishigakijima. The JCG has decided that a new unit is needed to strengthen measures against intrusions by Chinese fishing boats.

The coast guard plans to deploy about nine small patrol vessels capable of turning in a tight circle to keep pace with the manoeuvres of the fishing boats. The JCG boats are 180-ton class PS vessels. The PS stands for “patrol vessel small.” Three patrol vessels of the type are already being built, and they will be deployed in two to three years. Speech

Source: [Japan News](#), 25 Aug 2015

Hyping Threats? Japan’s Black and White Defence Paper

- Greg Austin

Japan is to be congratulated on being the most transparent country in the world after the United States in terms of public disclosure of its military policies and planning. For more than 45 years, it has published an annual White Paper, in both Japanese and English. China by comparison, remains amongst the least transparent, even though it has published a White Paper every two years in Chinese and English for around 17 years.

On publication of the English translation of Japan’s 2015 Defence White Paper, The Defence of Japan, released in Japanese in July, those of us not reading Japanese can see further detail of the political messaging around Japan-China relations. The paper is a little more black than it should be. Within seconds of opening it, my eyes lit upon the comparisons between the size of the Chinese navy (870 vessels) and the Japanese navy (137 vessels); and the comparative military personnel strengths

(1.6 million for China and 140,000 for Japan). (See Fig. I-0-2-1.) The latter comparison, for the total personnel strength, is “white” (or reliable) while the navy ship numbers comparison is “black” (not reliable). Though the Japanese document is citing the International Institute of Strategic Studies (IISS) as the source, the ship numbers figure for China and Japan are comparing apples and oranges.

According to U.S. Naval Intelligence, as cited by the Congressional research Service in 2015, the Chinese navy comprises “more than 300 surface combatants, submarines, amphibious ships, and missile-armed patrol craft” and “more than 400 minor auxiliary ships and service/support craft”. Thus, a reliable source gets us close to the 800 figure counting all possible naval vessels. Yet the number of 137 vessels for the Japanese navy includes only a handful of auxiliary ships. Japan simply has a different naval force structure. If we compare the number of major surface combatants, we see something very different from a 6 to 1 imbalance. The White Paper says China has about 70 major surface combatants, and this compares with 48 in Japan’s destroyer force, according to the White Paper in different tables.

But in modern strategic calculation, the comparison of ship numbers is almost useless. Any assessment of relative maritime power has to take account of land-based air, intelligence, command and control arrangements, anti-ship missile potential, and Allied capability, to name just several areas of combat operations. There is room for considerable confidence in the combat potential of the Japanese navy, captured convincingly in many sources, including a recent title published in *The National Interest*: “The Japanese Navy’s 5 Most Lethal Weapons of War”.

The 2015 White Paper carries a number of false or misleading statements about China’s maritime posture. It says, incorrectly that China claims the Spratly Islands on the basis of the nine-dashed line in the South China Sea. This is simply false, since the nine-dashed line, which was first published in 1946, postdates the first Chinese claim to the Spratly Islands. (It also describes the South China Sea as

being waters “in the periphery of Japan”. Is this the Shinzo Abe view of Japan’s new geopolitical space?)

The White Paper says certain un-named “countries” have taken actions in the South China Sea and East China Sea based on assertions that are “incompatible with international law”. It then goes on to list Chinese actions that threaten Japan as falling into two categories: flying too close to its vessels or illuminating fire control radars against them (on two occasions). The second category of improper actions attributed to China relate to the measures associated with the creation of a Chinese Air Defence Identification Zone (ADIZ) which Japan says interfere with its high seas freedoms. Later in the paper, Japan notes that it too has an ADIZ in the region without explaining how the two are different.

The most alarming factoid in the White Paper is the assertion that China has increased its defence spending in the last decade by a factor of 3.64 times (since rounded up by Western commentators to 4). If this were true, it could reasonably be interpreted as a sign of warlike intent on China’s part. Any country that quadruples its defence spending in four years is probably not expecting peace. But the 4-factor is not true, either in real terms as an absolute fact or at several levels of nuanced analysis.

How can we know this? First, according to the White Paper, Australia’s defence spending in the same period almost doubled (1.87 times). Few people in Australia would accept this as reflecting any sort of reality.

We do know that China’s announced defence budget announced in March 2005 for the coming financial year was 247.7 billion RMB. In March 2015, the appropriation for the coming year was 886.898 billion RMB, a nominal increase of 3.6, as the White Paper says. But as any economist knows, such a nominal comparison is just that. When adjusted for inflation, using the Pentagon’s ten year average growth rate of 9.5 per cent from 2005 through 2014, the actual (real) increase in the spend would produce an increase of 2.5 per cent over the ten years.

But we do not need to rely on estimates of a non-transparent and unreliably budget system such as China's. (Lies, damned lies and Chinese statistics?) We can look at the output of Chinese naval shipbuilding, as counted by the U.S. Navy, as reliable evidence of the tempo of Chinese defence outlays. According to the excellent data collated by Ronald O'Rourke for the Congressional Research Service, In the period 2005 to 2014, the total number of new naval vessels commissioned into the PLA Navy in each of the three major categories (attack submarines, frigates and destroyers) has not exceeded double the number commissioned in the previous ten years 1995-2004). In the period 2005-2014, the PLA was commissioning on average only one destroyer per year (12 in the decade). The year 2014 saw a peak of 5, but this compensated for a hiatus in the earlier years, some of which saw zero new destroyers commissioned in the year.

This rate of naval shipbuilding does not alarm me. It would alarm many Japanese, because it has resulted in China's overtaking the Japanese Navy in numbers of major surface combatants in the two decades since 1995. But more than a few Japanese naval officers remain quietly confident, as so some of their Chinese peers, that it is the Rising Sun Navy that remains pre-eminent in quality.

Of special note, the White Paper records a continuation of the 2014 trend in the number of Chinese government maritime incursions into the territorial waters around the Senkaku islands (about three per month) compared with almost double that in early 2013. The number of Japanese Air Self Defence Force (JASDF) scramble missions against Chinese aircraft continued to rise in 2014, but in that year, the number of scramble missions against Russian aircraft, was greater than for Chinese aircraft for the first time since 1993.

The annual JASDF scramble rate against Russian aircraft for the three years 2012, 2013 and 2014 were the highest for two decades. I can concede that China may be a worry of sorts for Japan, but Russia is becoming a bigger concern for all of us.

Source : [Diplomat](#), 25 Aug 2015

Indian Coast Guard Seeks Land to Set up Operational Base in Karuvadikuppam

- M. Dinesh Varma

The Indian Coast Guard has sought expeditious allotment of land to set up an operational base here as compensation for the land it had given up to the government for tsunami rehabilitation a few years ago.

Inspector General S.P. Sharma, Commander Coast Guard Region (East), met Chief Secretary Manoj Parida on Tuesday to press the case of speeding up the allotment of about 28.68 acres of land in Karuvadikuppam to the Coast Guard. The land is crucial for expansion activities of the Coast Guard that had upgraded its unit here to Indian Coast Guard District Head Quarters No. 13 last year.

The headquarter unit, with jurisdiction over the coastal districts of Puducherry, Karaikal, Cuddalore and Villupuram, has been envisaged as a hub for coastal security that would be responsible for coordinating surveillance, pollution and search and rescue response. Among its expansion plans are proposals for establishing an Air Enclave, doubling its hovercraft fleet from the two UK-made air cushion vehicles it acquired in 2013 and establishing a dedicated boat jetty for its vessels at the Puducherry port.

“We are working towards a solution for their land requirement. What is being proposed is that the Coast Guard purchases the land at Karuvadikuppam and a mechanism is drawn up to compensate for the land they returned to the government,” Mr. Parida said. On a rough estimate, the land at Karuvadikuppam could cost in the vicinity of Rs.100 crore. In 2006, the Puducherry government had allotted 20 acres of land for the ICG in Veerampattinam. However, after the tsunami of 2004, public pressure on resettlement and rehabilitation of displaced fishermen led to the Coast Guard returning the land to the government in 2013.

Mr. Sharma also discussed provision of other facilities for the Coast Guard such as a hangar at the airport, more spacious rooms for its crew at the Thengaithittu fishing harbour and berthing facilities for its vessels at the Puducherry and Karaikal ports. Puducherry Coast Guard Commandant N. Somasundaram and IG of Police Praveer Ranjan also participated.

Source: [Hindu](#), 26 Aug 2015

Seychelles Signals it is Ready to Join India-Led Maritime Security Alliance

- TNN

Days after India reset its relations with 14 Pacific Island countries, Seychelles, a key power in the Indian Ocean, declared it might join a India-led trilateral security framework that also includes Sri Lanka and Maldives. On a visit to India, President James Alix Michel, president of Seychelles told a select audience at the Indian Council for World Affairs (ICWA), "With regards to safeguarding maritime domain, Seychelles is actively considering invitation by the Indian government to join the tripartite maritime security framework which encompasses India, Sri Lanka and Maldives." In words that would be music to Indian ears, Michel asserted that the Indian Ocean region "belongs" to countries sharing maritime boundaries here. "... One thing that Seychelles does recognize is that Indian Ocean belongs to us. It belongs to the countries in the region. In terms of peace, security and stability these are questions we must look in terms of the presence of foreign forces, foreign naval forces, and foreign countries in our region... In terms of geopolitics we need an ocean that is free from politics. We also recognize the right of other countries to be present and work with us in terms of economic prosperity and in the concept of blue economy," Seychelles foreign minister Joel Morgan said.

"We cannot leave it to others to secure our maritime space. The need is more relevant than ever. Today we have with India an exemplary partnership in defence

and security sectors. India's determined and proactive action in fight against piracy is highly commendable," Michel said.

Modi had made Seychelles one of the stops in his big Indian Ocean foray in March. India has extended the Indian Ocean security framework by inviting Mauritius and Seychelles to the last meeting as observers. The Narendra Modi government has strengthened that outreach. In fact, as Maldives becomes a less stable nation in a crucial part of the world, India is hoping to invest more in Seychelles and Mauritius, to offset the difficulties created by Maldives. Although during a recent visit by the Maldives foreign secretary, the Maldivian president, Abdulla Yameen asserted that he would not let a new land law affect the security of the Indian Ocean region, India is clearly hedging its bets. Seychelles too has a close relationship with China but India is betting on its growing presence and interest in the Indian Ocean country.

Both with the Pacific island countries and in the Indian Ocean region, India is pushing the mantra of the "blue economy" to expand its partnerships. From Fiji to Nauru and Tuvalu, New Delhi has opened up travel opportunities to India by giving them gratis visas. India has big attractions in terms of helping these countries build capacities, both human as well as in agriculture and marine activities. Fiji officials said India's innovations are cheaper and easier to adapt to their conditions. "With a little investment, India can achieve a lot," they said. The same goes for Seychelles, which is an enthusiastic user of India's pan-African e-network, particularly for medical diagnosis.

Source : [Times of India](#), 28 Aug 2015

India Moves Interpol to Seek Details in Iranian Boat Case and Secure 'Blue Corner' Notice

- PTI

Nearly two months after an Iranian boat with suspicious movement was seized off the Kerala coast, India has moved Interpol to seek details from Iran about the 12 people on board the vessel and secured a 'Blue Corner' notice in this regard.

The 'Blue Corner' notice is issued from one country to the another for "collecting additional information about a person's identity, location or activities in relation to a crime." Official sources said the request by National Investigation Agency had been forwarded to Iran through the Interpol Headquarters in Lyon in France for sharing all the details about the 12 people who were on board the boat that had strayed 93 kms deep into Indian waters last month.

The Indian Coast Guard had intercepted the boat on July 3 from the Exclusive Economic Zone of India off the Kerala Coast. NIA was handed over the case on August 4 but it could not even interrogate the 12 people who are in jail, the sources said.

The investigating agency had to carry out its probe on the findings of Kerala Police, which had the custody of the accused for 14 days. NIA re-registered a case filed by the Kerala Police under various sections of Maritime Zones of India Act and Suppression of Unlawful Acts against safety of Maritime Navigation and Fixed Platforms on Continental Shelf Act, 2002.

The sources said the NIA wants to know more about the people who were on board the fishing trawler 'Barooqi' as a couple of them are well-versed in Hindi language and one is an Iranian resident born in Pakistan. The trawler had all the material used in deep-sea fishing of Tuna fish. One of the engines of the fishing trawler had broken down but there was no explanation why it had strayed so deep into the Indian waters.

Meanwhile, the Iranian Embassy here has sought consular access to those arrested and it has been provided, the sources said. The Iranian side has assured complete cooperation in the matter.

Source: [Indian Express](#), 31 Aug 2015

Barriers Stymie US Asia-Pacific Maritime Security Strategy

- Tseng Fu-sheng

The US Department of Defense released its Asia-Pacific Maritime Security Strategy earlier this month, which stated the country's three maritime objectives in the Asia-Pacific region: to safeguard the freedom of the seas, deter conflict and coercion, and promote adherence to international laws and standards.

The strategy aims to cement the US status in the region through building up military strength, strengthening cooperation with allies, promoting military diplomacy and establishing regional security organizations.

Meanwhile, the Pentagon pursues an objectives-based military-to-military relationship with China that seeks to deepen cooperation in areas of mutual interest and to manage security competition and friction in a way that supports overall stability.

The Pentagon is enhancing US capabilities to project power from the sea, in the air and under the seas. As part of this effort, the US is deploying some of its most advanced surface ships to the region, including replacing the aircraft carrier USS George Washington in 2015 with the newer USS Ronald Reagan; sending the newest air operations-oriented amphibious assault ship, the USS America, to the region by 2020, by which time 60% of naval and overseas air assets will be homeported in the Pacific region.

However, whether the strategy can be implemented is still unclear for several reasons. First, the US-led Trans-Pacific Partnership (TPP) talks broke down earlier

this month, dealing a blow to the Obama administration's "pivot to Asia" policy. This made countries in the Asia-Pacific believe it is even more important to maintain economic cooperation with China.

Second, the US government is still mired in financial troubles and its national defense budget will be cut in 2016. Third, the international environment facing the US is increasingly complex. This is evident with the current turmoil in Ukraine. Under circumstances such as these, Washington should review its relations with Russia and boost military capabilities to a NATO task force that would stand up to Russian aggression.

Meanwhile, China's rise in Asia and its rapid military buildup has also posed a threat to the advantageous status of the US in the region. Moreover, the US is encountering many issues and violence domestically related to the sluggish economy and widening wealth gap.

China and the US both face enormous challenges at home and if the two world powers fail to enhance strategic mutual trust, this could lead their relations to tilt more toward competition than cooperation and exacerbate the difficulties they face.

Source: [Want China Times](#), 31 Aug 2015



US, Malaysia Launch Naval Exercise

- Prashanth Parameswaran

On August 17, the United States and Malaysia kicked off a bilateral naval exercise in Sandakan in eastern Malaysia. The 21st annual Cooperation Afloat Readiness and Training (CARAT) Malaysia exercise is designed to address shared maritime security concerns, build relationships and enhance interoperability between U.S. and Malaysian Armed Forces. It is part of a series of bilateral naval exercises conducted by the U.S. Navy with partners and now involves nine countries in South and Southeast Asia, Bangladesh, Brunei, Cambodia, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Timor-Leste.

CARAT Malaysia 2015 will involve more than 1,000 U.S. military members alongside counterparts from the Malaysian Armed Services. It consists of five days of shore-based and at sea training events through August 21. According to a statement by the U.S. Navy seen by The Diplomat, the exercise will feature simultaneous amphibious landings, surface warfare drills, visit, board, search and seizure (VBSS) demonstrations, explosive ordnance disposal training, maritime patrol and reconnaissance operations, a gunnery exercise, coastal reverie drills, and civil engineering projects between U.S. Navy Seabees and Malaysian partners. Personnel from both nations will also exchange best practices on naval tactics during a series of military seminars on shore.

U.S. units participating in the exercise include the littoral combat ship USS *Fort Worth*, the dock landing ship USS *Germantown*, a P-3C Orion, a Naval Mobile Construction Battalion, a Explosive Ordnance Disposal Mobile Unit, a Coastal Riverine Group, and U.S. Marines assigned to the 3rd Marine Expeditionary Brigade.

According to the U.S. Navy, after more than two decades of annual CARAT training engagements between the U.S. and Malaysian Armed Forces, the exercise remains “a model for cooperation that has evolved in complexity and enables both nations to refine maritime operations and tactics.”

“CARAT is a practical way for our two navies to address shared maritime security priorities in a realistic training environment,” said Capt. H.B. Le, Commodore, and Destroyer Squadron 7. “The Malaysian Armed Forces have been a part of CARAT since its inception, and our partnership’s spanning more than two decades demonstrates a firm mutual commitment to stability and security throughout the region.”

Source: [Diplomat](#), 18 Aug 2015

Tough Times Ahead for the Indonesian Navy?

- Koh Swee Lean Collin

Almost a year has elapsed since Indonesian President Joko Widodo revealed his Global Maritime Fulcrum vision. Since then, Jakarta has undertaken several initiatives aimed at fulfilling the five pillars of the vision: maritime culture, marine resources, maritime infrastructure and connectivity, maritime diplomacy, and maritime defence.

The last of these pillars is essentially an enabler of the other four pillars and not standalone. When Widodo came to power. He effectively inherited his predecessor’s legacy of modernizing the Indonesian Navy. The challenge is to continue and sustain that modernization.

Great Expectations

The contemporary TNI-AL modernization is inspired by the Minimum Essential Force Blueprint conceived over the 2010-24 timeline, executed in three strategic

plans. Renstra I (2010-14) was completed last year. Since then, the TNI-AL is at Renstra II, which runs up to 2019.

The end-state, going by the envisaged plan, is to create a green water TNI-AL by 2024 – a service that is balanced and capable of undertaking an array of missions within the immediate regional waters while having limited ability to project force into distant waters.

By 2024, the service is meant to comprise 274 vessels and 137 aircraft of various types. The former category is divided into the Combat Strike Group (110 vessels including 10-12 submarines, 56 frigates and corvettes, 26 missile- and 12 torpedo fast attack craft), the Patrol Group (66 patrol vessels), and a 98-vessel Support Force. The 137 aircraft include up to 35 maritime patrol aircraft.

Renstra I (2010-14): “Renaissance” for the TNI-AL?

It would be imperative here to take stock of the gains made by the TNI-AL over Renstra I. Indeed, the period of 2010-14 marked a “renaissance” of sorts for the service following the significant acquisition programs (for example, SIGMA-90 corvettes, Makassar-class landing platform, docks, and Yakhont supersonic anti-ship cruise missiles) made in the preceding years. These new primary weapon systems (alutsista in Bahasa Indonesia) represent a stark contrast to the malaise suffered by the TNI-AL following the Asian Financial Crisis in 1997-98.

The Korps Marinir, Indonesia’s Marine Corps, undergoes mobility enhancement and mechanization with the purchase of new amphibious fighting vehicles from Russia and Ukraine, along with the construction of the indigenous Teluk Bintuni-class of landing ship, tank.

Size Matters

In all, despite the modest quantities of new alutsista procured, the TNI-AL has attained laudable qualitative improvements. The question remains whether the MEF targets, going by the current pace of modernization efforts, can realistically be met.

In July 2015, outgoing Indonesian military chief General Moeldoko admitted that the envisaged 40-42 percent of MEF targets could not be met. Instead, by the end of Renstra I only 34 percent had been attained. Moeldoko's successor, General Gatot Nurmantyo is expected to boost this figure to 68 percent. However, this means ramping up expenditures.

Buying Second-Hand?

Compounding the problem of aging equipment is also the issue of relying on second-hand procurements as the alternative. For example, by the time the three British-built Multi-Role Light Frigates originally intended for Brunei were delivered to the TNI-AL in late 2014, they were already past a decade old.

For example, Jakarta purchased 39 former East German warships at \$468-million, but had to spend another \$800 million on refurbishment and requisite supporting infrastructure. Other "hidden costs" include inflated operating expenditures. An Indonesian government audit conducted in 2007 found that the TNI-AL had squandered Rp64 billion in petroleum, oil, and lubricants consumption attributable to aging warships.

New builds: Good to Have, Costly to Buy

To Jakarta's credit, there have been conscious efforts to avoid buying second-hand, such as the rejection of used Libyan warships and Russian submarines because of their dubious operational conditions. However, given the MEF targets by 2024, Indonesia is caught between a rock and a hard place.

Some equipment has to be sourced from overseas, especially if it constitutes the core of the TNI-AL's combat capability. "Big ticket" new builds such as frigates and submarines are clearly too expensive to purchase in significant quantities.

Rethinking and Recalibrating the MEF Targets?

To meet the original MEF targets, more substantial procurements will be needed during Renstra II. But the perennial problem boils down again to funding. To compound the problem, by the end of Renstra II in 2019 alutsista that were already more than 20 years old as of 2014 will have to be readied for retirement, whereas the process for block replacements will need to be initiated for those 11-19 years or less.

To accommodate the limited budget, long gestation periods for especially high-capability alutsista, problems of second-hand buys, and the limitations of Indonesia's domestic industries, it may be worth rethinking and recalibrating the MEF targets to ensure that TNI-AL force goals are met by 2024.

Less on the Heavies

The hi/lo configuration applies to the Combat Strike Group, for which 10-12 submarines and 56 frigates and corvettes would seem ambitious. The proposed recalibration envisages a reduction in the numbers of larger high-capability platforms – the frigates and corvettes – while increasing the proportion of missile-armed fast attack craft, which are comparatively cheaper and simpler to construct in larger numbers.

This approach leverages on the niche strengths of Indonesia's domestic industrial base, which has so far produced the KCR40/60-series fast attack craft for the TNI-AL as well as making notable strides in developing combat systems. In fact, the KCR40-60-series has been one of the major areas experiencing rapid growth during Renstra I, with up to 18 units in all being commissioned or in various stages of construction and trials since 2011.

Austere Times Ahead

Indeed, even discounting the alutsista, meeting MEF targets will invariably require investments in several other areas, such as the potential increase in crewing requirements to ensure a round-the-clock naval presence. This certainly goes

against the grain of the “zero-growth” manpower policy described in existing defence plans.

Coping with multiple competing needs will be a tough challenge for the TNI-AL. There is simply too much to do and insufficient wherewithal available. Purchasing assets in itself is not an adequate solution, given that naval capacity-building remains a holistic undertaking. With the 2024 timeline in mind, some innovation and creativity will be needed if the TNI-AL is to secure Indonesia’s maritime interests in a time geopolitical and fiscal uncertainty. Recalibrating the MEF force goals may be the best way forward.

Source: [Diplomat](#), 18 Aug 2015

Israeli Navy Chief to Hold Talks with Indian Officials

- PTI

In a sign of increasing defence cooperation between the two countries, Israeli Navy Chief Vice Admiral Ram Rutberg will arrive here on Monday and will hold talks with top Indian officials. Vice Admiral Rutberg, who is coming here on a three-day visit, will be presented Guard of Honour at the South Block Lawns, which houses Defence Ministry, official sources said today.

Besides, holding talks with the top Indian authorities in the capital, the Israeli Naval chief would also visit Mumbai as part of his itinerary, they said. In a bid to bolster defence ties between the two countries, a frontline warship of Indian Navy INS Trikand made a port call on August 19 at the port of Haifa in Israel. The previous port call at Haifa by an Indian Navy warship was in 2012.

During the four-day stay at Haifa, extensive engagements are planned with the Israeli Navy. INS Trikand, commanded by Captain Vinay Kalia, is the latest warship

of the Navy equipped with a versatile range of weapons and sensors enabling to address threats in all the three dimensions - air, surface and sub-surface.

Since establishment of diplomatic relations between the two nations in 1992, bilateral interactions between India and Israel have seen rapid growth across a broad spectrum. The bonds developed through such events strengthen the established mechanisms of maritime cooperation between the two countries while pursuing common goals of safe and secure seas, an official statement said. In addition to professional interactions, various sports and social engagements are planned to further enhance understanding between the two navies.

Source : [Indian Express](#), 21 Aug 2015

Chinese Navy: 'So Long as it is Blue, We Will Be on Guard Wherever It Is'

The Chinese military, which is in the midst of a tense territorial dispute with its neighbors in the South China Sea, launched a "piece of public opinion warfare." "Regardless of what corner of the Earth, so long as it is blue there we will be on guard," the People's Liberation Army Navy (PLAN) declares in a recently released recruiting video.

Dean Cheng, the Heritage Foundation's Chinese military expert, said of the video: "It's beautifully done; really tugs at the heartstrings. It's also a piece of public opinion warfare." The video was produced by the PLA's General Political Department, which is responsible for political loyalty, psychological warfare and all related human factors, Breaking Defense reported.

China claims most of the South China Sea, where Beijing has launched a campaign to reclaim land in the disputed Spratly Islands. The Philippines, Vietnam, Malaysia, Taiwan and Brunei also have overlapping claims.

Cheng told Defense News that he believes the video is part of China's attempt to build a professional army. He said there is a "call to service" in the ad, which includes the declaration: "Here you can develop your talents." It also declares: "A strong motherland must have a strong navy."

Source : [Sputnik](#), 25 Aug 2015

Chienese Navy Completes Joint Beach Drill with Russia

- Wang Fan

The Chinese navy completed its first overseas joint beach landing drill on Tuesday as part of an ongoing marine exercise with Russia. The drill took place in waters off Russia's Clerk Cape as part of the ongoing Joint Sea-2015 (II) exercise between the two countries from Aug 20 to 28.

The two navies deployed amphibious equipment and more than 400 marines, who landed on a beach using various methods, including parachuting and descending by rope from helicopters, as well as using amphibious armored vehicles and landing ships. "For the first time, we shipped tanks and armored vehicles, and landed soldiers directly into an overseas drill area after a long-distance voyage," said Liang Yang, assistant to the Chinese director of the drill.

"Such a drill will fully test the performance of our weapons in terms of adaptability to local weather and topographical conditions." More than 100 Chinese marines were transported directly onto the beach in 14 amphibious armored vehicles, which were unloaded from the Chinese landing ship Changbaishan, anchored more than 1 kilometer off the beach.

"This type of dry landing, which involves putting soldiers ashore without the need for wading, as they did previously, meets both our tactical demands and requirements for real-battle landing," Liang said. Another 24 Chinese marines landed by

helicopter fast rope, while the Chinese landing vessel Yunwushan deployed six armored vehicles and 26 marines directly onto the beach.

The Chinese air force also took part in the drill with two J-10 and two JH-7A fighters, which took off from an airport in China and flew across Russian airspace before arriving at the drill area. Chen Yong, a Chinese air force officer who took part in the drill, said, "The fighters were here mainly to assist the beach landings by commanding the air and launching long-distant attacks at targets on the beach."

Russian soldier Andrey Ivanov, 30, who was taking part in a military exercise for the first time, said, "Although this drill was complicated and difficult, it went smoothly thanks to the thorough preparations on both sides."

Dong Jun, Chinese navy deputy chief of staff, said such large-scale joint beach landings require careful planning and command. The success of the drill demonstrates that both nations' navies are capable of high-level cooperation, Dong added.

Source : [ECNS](#), 26 Aug 2015

PLA Navy Taskforce Pays First Visit to Sudan

- China Military Online

The Chinese naval taskforce led by the guide-missile destroyer Jinan (Hull number 152) arrived at the Port Sudan in the Republic of the Sudan on the morning of August 25, 2015, local time, kicking off its 5-day goodwill port visit to Sudan. This is the first time for the PLA Navy to pay an official friendly visit to Sudan.

It is learnt that the naval taskforce, known as the 20th escort taskforce of the PLA Navy, wrapped up the mission of escorting merchant ships in the Gulf of Aden and waters off the Somali coast and kicked off its global voyage on August 23. The

welcome ceremony was held at 10:00, Commodore Moosa, commander of Sudan's naval base, Li Lianhe, Chinese Ambassador to Sudan, as well as the staff of the embassy, representatives of China-funded institutions and overseas students, welcomed the Chinese taskforce at the wharf.

Over 200 Chinese nationals and overseas Chinese who attended the welcoming ceremony successively visited the guided-missile destroyer Jinan, the guided-missile frigate Yiyang and the supply ship Qiandaohu of the taskforce. After the welcoming ceremony, commander of the Chinese naval taskforce met with the commander of the marine division of the Sudan Navy, base commander, governor of Al-Bahral-Ahmar State, and high-ranking military and political officials.

The Chinese visiting taskforce will carry out cultural and sports exchanges during its visit in Sudan, such as warship open day, deck reception, visiting the local orphanage, holding friendly football matches and tug-of-war competitions with the Sudan navy, according to sources.

Source : [Mod.Gov](#), 26 Aug 2015

Two Indian Naval Warships Dock at Iranian Port

- Press Trust of India

In a bid to strengthen bilateral ties with Iran, two Indian Naval Warships - INS Betwa and INS Beas - today sailed into the Bandar-e-Abbas port and will hold joint sea exercises. The visit comes days after an Indian warship anchored at Israel's Haifa port. During their five-day stay in Iran, the ships will hold various interactions with their Iranian Navy counterparts and joint exercises at sea. The visit would also include training and sports events between the two navies.

This deployment would add another chapter to the cordial relations and defence cooperation between India and Iran, an Indian Navy statement said. INS Betwa and

INS Beas, both are indigenously designed and built Guided Missile Frigates of the Brahmaputra Class.

The 125-meters long ships displace 3,600 tones and are capable of operating at extended ranges, with speeds up to 30 knots. They have state-of-the-art sensor suites and an impressive weapon package, including long range surface-to-surface missiles and anti-missile defence systems. Their combat capability is further augmented by the capability to embark two multi-mission capable Sea King helicopters. The ships have completed over a decade of service with the Indian Navy. INS Betwa is presently commanded by Captain KM Ramakrishnan and INS Beas is commanded by Captain Deepak Bhatia.

Iran and India relationship is centuries old and contemporary relation is characterized by interactions in the fields of commerce, energy and education."It has been India's national objective to ensure a secure and stable regional environment, which is conducive for economic and social development not just at home, but also in immediate and extended neighbourhood.

"The Indian Navy, while shouldering its security responsibilities, is committed to these objectives and has been contributing towards humanitarian assistance, capacity building and capability enhancement of friendly foreign countries when so needed," the statement said.

Source: [Business Standard](#), 28 Aug 2015

Sino-Russian Naval Exercise Aimed at Irritating Japan: Duowei

- Staff Reporter

China and Russia chose to mobilize 22 warships, 20 aircraft, 500 marines and 40 amphibious vehicles for the second part of a joint naval exercise between Aug. 20

and Aug. 28 in order to irritate Japan, according to Duowei News, a media outlet operated by overseas Chinese.

In a similar fashion to the first part of the naval exercise launched in May in the Mediterranean Sea at around the same time Russia launched its military parade to celebrate the 70th anniversary of the end of the European front of World War II, the second part of the exercise was held in the run up to China military parade commemorating the country's Victory over Japan Day. This part of the exercise took place primarily in the territorial waters of Russia, however, the location is only 650 kilometers away from the Sea of Japan.

Duowei said that China and Russia are trying to challenge the US-Japan alliance in the Asia-Pacific region and that this is the main reason why Japanese prime minister Shinzo Abe and US president Barack Obama are not going to attend the military parade which will be held in Beijing on Sep. 3. Duowei questioned the People's Liberation Army Navy's capability to challenge US and Japanese naval power, however.

Japan has recently launched its second Izumo-class helicopter destroyer which is very likely to be named Kaga, after a Japanese aircraft carrier sunk during World War II. The PLA Navy has 235,000 personnel which is five times the number of the Japan Maritime Self Defense Force. However, Chinese warships are still unable to compete against their Japanese counterparts. If China goes to war with Japan now, it will lose again like it did during the First Sino-Japanese War in late 19th Century, according to Duowei.

Source: [Want China Times](#), 29 Aug 2015

China's Submarines Still a Far Stretch to US Homeland

- Staff Reporter

China's 12 nuclear-powered submarines are still unable to launch a direct attack against the US homeland, reports the Kanwa Defense Review, a Chinese-language military magazine based in Canada. About three of the PLA Navy's Type 094 Jin-class ballistic missile submarines and two Type 093 Shang-class attack submarines are currently stationed at Sanya off China's southern coast. The base is the nearest location for deployment in the disputed South China Sea, where China claims vast swaths of territory along with a handful of competing neighbors.

None of the three Type 094 submarines have been installed with ballistic missiles since the beginning of this year, said the report. Unlike the Russian Navy, China is very unlikely to launch an attack against the US from North Pole waters. More likely, the attack would be launched from the Pacific against the US territories of Guam, Hawaii and Alaska. A Chinese missile strike could reach as far as Australia if launched from South China Sea waters. A similar attack aimed at the west coast of the US would still, however, be exceedingly difficult, said the report.

To attack Los Angeles, the Jin-class submarine would have to fire a JL-2 missile from the Second Island Chain, extending from Honshu to New Guinea. The US Navy's P-8A patrol aircraft would easily detect any sound from the notoriously loud Type 094 venturing into this area. However, the submarine is still a very dangerous threat to Russia since Moscow is only 7,200 kilometers away from Hainan.

Source: [Want China Times](#), 30 Aug 2015



Can Shipping Brokers Ride out the Rougher Seas?

- Aaron Payne

The wider effects of stormy conditions in the global commodities market are emerging as more companies reveal tumbling earnings. Shipping company Clarksons yesterday published profits of £6.2m, down 36.7 per cent on the first six months of the previous year, citing “severe challenges faced by the dry bulk market” as the primary cause of the decline. Commodity turmoil could blow the shipping industry off course.

As global commodity prices fall, shipping companies are suffering from the dry bulk market’s tendency to rapid fluctuations. Andi Case, Clarkson’s chief executive, said: “The multi-cyclical and volatile nature of our markets has once again been demonstrated by the sudden shift in oil and other commodity prices, giving rise to a consequential change in the demand supply balance in many markets.” Shares plummeted by as much as 11 per cent but headwinds facing Clarkson underscore wider turmoil in the commodities market. Demand for raw materials has fallen sharply in recent months, due mainly to a global glut of crude oil and changes in Chinese economic strategy.

The Baltic Dry Index, which tracks the movement of raw materials, fell to its lowest level since 1985 earlier this year, while the index was 43 per cent weaker than the previous year. Part of this is down to China, which has turned away from coal towards cleaner energy sources. And a more general slowdown in the country’s economy has led to a reduction in imports of materials like iron. More recently, consecutive devaluations of the yuan have also boosted exports at imports’ expense.

Manufacturers in China are playing a cat-and-mouse game with commodity brokers,

stockpiling raw materials to delay purchases and then taking advantage of the increase in supply that follows. This will continue to affect the market as manufacturers look towards restocking in the next six to twelve months as their supplies run dry.

Fluctuations in the commodities market like these can quickly have a negative impact on shipping, as too many ships compete to carry the falling quantity of raw materials being traded around the world.

The effects on chartering rates and the value of vessels in the Panamax and Capesize classes – which make up around 80 per cent of the world's shipping fleet – are felt on a monthly, or even weekly basis while the supply of ships, which can take years to build, is related to much older predictions of market performance.

With the supply of ships running far ahead of demand in the commodities market, options include scrapping ships in order to reduce the number in operation. Gert Zonneveld, analyst at Panmure Gordon, said shipping companies simply needed to weather the storm. "It's just a matter of waiting for that excess capacity to be absorbed," he said. "Demand continues to grow, it's not a lot, maybe three or four per cent, but it continues to grow, so the over-capacity needs to be absorbed to get to a more stable market."

Zonneveld said Clarkson's outlook remained broadly positive, with its takeover of Norwegian shipping broker and investment bank RS Platou, completed in February 2015, likely to have significantly increased its growth prospects: "The Norwegians are the power-house of shipping and offshore so to be able to add those relationships to your own is likely to result in broader and deeper relationships. That's one of the real areas where new revenues will come from," he said.

Meanwhile, analysts at Nomura were also positive, saying troubled seas in the commodity markets would see business piloting in the direction of safer, "quality" vessels such as Clarkson.

“These tough conditions continued to drive a flight to quality that suits Clarkson’s full-service client offering, enabling it to make ongoing market share gains that will leave it especially well positioned when shipping markets turn,” they said.

Source: [City A M](#), 18 Aug 2015

Plans to Lift Prospects of Firms in Shipping Industry

- Jacqueline Woo

The Singapore Shipping Association (SSA) yesterday unveiled a slew of plans to boost the prospects of its members amid tough global industry conditions. Key initiatives include building up the finance capability of shipping firms here by promoting more stock exchange listings, opening up access to capital markets and creating greater investor awareness.

The efforts are to be spearheaded by a new 13-man council of the SSA set up in June. "It's well-known that Singapore has strong support and a sophisticated ship finance market in the traditional sense," said SSA president Esben Poulsson at a media briefing. "But building capabilities beyond that is one area where we feel more can be done." Mr Lee Keng Mun, who heads the SSA's ship finance workgroup - part of the new council - told The Straits Times it is already in talks with about five companies on the possibility of listing in Singapore.

"The investors are here, the funds are here, and as a maritime financial centre, there's a lot of depth and liquidity in the market. "We need to capture some of these listings (instead of having them go overseas). There is space for growth," said Mr Lee, who is Asia head of shipping at ship financier HSH Nordbank.

The SSA represents 477 member companies across the shipping industry and related businesses. It was formed in 1985 to serve and promote the interests of its

members while enhancing the competitiveness of Singapore as an international maritime centre.

Mr Poulssen said the SSA is looking at doing more to help address the difficulties faced by offshore firms, which have been hit hard by the oil price slump. The association is in discussion with the relevant authorities on reducing port dues - the fees levied by the port to ships entering the port and staying in dock - for offshore vessels, given that they are likely contending with lower utilisation rates. This could help offshore firms ease their costs, noted Mr Poulssen, who is also chairman of Greek ship-management company Enesel.

At the same time, the SSA will push for Singapore to have more double-taxation agreements, said Mr Rene Pedersen, chairman of the SSA's international committee. He noted that Singapore today has some 65 double-taxation agreements - a modest figure compared with other jurisdictions such as Norway, which has about 130.

"(Having more such agreements) will give us a credit for freight taxes (and) ensure we can work with Singapore-flagged offshore units in foreign waters," said Mr Pedersen, who is also managing director of shipowner AP Moller Singapore. "For us to develop as a shipping industry and an offshore industry, we need to have a better network of double-taxation agreements."

Source: [The Straits Times](#), 19 Aug 2015

Shipping in Middle East Regaining its Footing

- Hossein Forouzandeh

Some recent financial filings highlight how owners of tankers and shipping companies in general have reaped the benefits of more trade in certain areas of the Middle East along with the benefits from bunker prices being lower.

The region of the Middle East is very dynamic in the shipping industry with infrastructure investment very high as countries like the United Arab Emirates and Saudi Arabia invest in road, rail and ports.

Companies like Topaz Energy, Bahri and others have invested large amount in the region. Bahri a tanker operator based in Saudi Arabia ordered five crude carriers this past summer. It announced its plan to grow a fleet of tankers to as many as 50 and at the moment has 32.

Last month it reported a substantial increase in its revenue as well as profits following a very active first six months of 2015. The company's net income during the quarter was \$95.3 million and \$197.5 million for the first six months. In each case, it was more than double the amount of the previous reporting for the same period in 2014.

In the offshore industry, one of the largest service providers in the region is Topaz Energy and Marine. It recently posted a net loss for the first six months of \$4.1 million. Last year for the same period, it reported a net profit of \$12.7 million. The dropping price of oil reduced the activity of gas and oil, which has impacted the global organization, but did not stop it from recording no fatal accidents and refinancing \$500 million in debt keeping a strong liquidity and making dividends of \$22 million. Rene Kofod-Olsen the CEO of the company pointed out that despite challenges as the market is adjusting to the low price of oil, the model Topaz uses continues to allow it to generate great value.

Source: [Mideast Time](#), 22 Aug 2015

Largest Ship Docks at Mombasa Port

- Patrick Beja

Hundreds of delighted Mombasa residents lined up at the Likoni ferry crossing to witness firsthand the massive MV Clemens Schulte as it safely sailed up the

channel and docked at the Kilindini harbour. Shipping industry players and Mombasa port workers gathered at the quayside said this was the largest cargo ship to call at the port. With a capacity to carry 5,466 containers (twenty foot equivalent units or Teus), the vessel can hold 3,484 teus on its 10-tier deck and another 1,982 on its eight-tier hold. The ship also has seven structured cargo holds and 650 reefer sockets. Several ship-to-shore gantry cranes were deployed to discharge containers from the vessel. Chartered by Maersk Shipping Line, the vessel has a declared draft of 13.9 metres, 255 metres of length and 37.3 metres breadth. Kenya Ports Authority (KPA) Managing Director Gichiri Ndua handed its Russian captain Cladislav Borisovsky certificate of first at the port.

The vessel has called here to discharge 1,710 teus and load another 3,505 teus, making a total of 5,215 moves in and out,” said Mr Ndua. Maersk Shipping Line operations manager John Radier said the vessel sailed to Mombasa from the port of Salalah in Oman on its way to the port of Dar es Salaam. As the economies of the region expand, more such vessels will find their way in regional ports, he noted.

Source: [Standard Digital](#), 22 Aug 2015

India: Centre to Offer Subsidy to Shipbuilders

- The Hindu Business Line

Union Minister for Shipping, Road Transport and Highways, Nitin Gadkari, has said that the Ministry has prepared a scheme to offer subsidy to the shipbuilding industry.

The same has been sent to the Cabinet for approval. He was addressing mediapersons at Dona Paula near Panaji on Monday, after chairing the 16th meeting of Maritime States Development Council (MSDC).

Job creation

Gadkari said that in view of the world's requirement of manpower in the maritime industry, the Centre will open a sub-centre of the Maritime University at Ratnagiri in Maharashtra, to cater to Goa, Gujarat and Maharashtra, for which JSW has already allotted 200 acres of land.

He said that by 2020, the maritime industry will provide jobs to over 6 crore skilled labourers all over the world. He added that the Government will provide a financial assistance of 50 crore to the centre, which will provide all types of training in the Maritime industry. The Minister also said that the Government has prepared a new scheme worth 400 crore, to boost inland waterways.

Under the scheme, the Government will give 50 per cent subsidy to States to erect floating jetties, while the balance will have to be borne by the States. He said that for passenger jetties, this subsidy will be 10 crore while for container/goods jetties, the subsidy will be restricted to 25 crore.

New ports announced

The Minister informed that the Government has decided to open seven more major ports in addition to the 12 existing major ports, out of which one would be based in Bengal, namely Sagar Port, and the other in Dahanu, Maharashtra, to be opened up jointly for Maharashtra and Kerala.

Senior officers of the Inland Waterways Authority of India, Tariff Authority for Major Ports, National Shipping Board, Indian Ports Association and other maritime-related Government organisations too participated in the meeting.

Source: [Hellenic Shipping News](#), 25 Aug 2015

Vision Document: Centre Spells Out Thrust for Coastal Shipping

- TNN

In a bid to revolutionize the shipping industry and decongest cargo movement via roads, the central government will encourage Indian ship owners and operators to acquire roll-on-roll-off vessels, passenger ferries, car and truck ferries and cargo carriers.

This is one of the key points that the central ministry of shipping has mentioned in its vision document for coastal shipping, tourism and regional development. The vision document seeks to ensure that the maritime sector contributes to the country's GDP and was released by Union minister of shipping, road transport and highways Nitin Gadkari in Goa on Monday.

The vision document was unveiled at the 16th meeting of the Maritime States Development Council (MSDC) at Dona Paula. "The country's and each state's GDP cannot grow without development of the maritime sector. Roads, shipping and ports—it is my endeavor that they will add 2% to the country's GDP," Gadkari said.

Even while announcing financial support from the central government for maritime projects, Gadkari has encouraged stakeholders to resort to external commercial borrowings as the interest rate is lower. "I have told all the ports that if your port's revenue is in dollars then you take your loan for development in dollars, thus there is no need for hedging," Gadkari said.

The vision document outlines broad measures to help overcome the current lethargy in the maritime sector. Key among these measures are providing cheaper funding sources for the coastal shipping sector, simplification and rationalization of regulations, special port infrastructure and connectivity, promotion of coastal cargo and creation of logistical infrastructure.

Acknowledging that rigid regulations and lack of a competitive ecosystem for shipbuilding and ship repair were part of the hurdles faced by the domestic shipping industry, the ministry of shipping has put in place time-bound action plans to encourage low-cost repair facilities along the coastline. "If a ship breaks down at Andaman and Nicobar and has to be taken to Kolkata for repairs then the cost of the repairs maybe Rs 3 lakh, but the cost of going to Kolkata is 30 lakh," Gadkari pointed out.

To utilize India's long coastline and wide network of river channels, the ministry of shipping has come up with the Sagarmala concept project. Sagarmala is a strategic initiative to evolve a model of port-led development whereby India's long coastline including the existing and new ports will be integrated with industrial clusters and hinterland and efficient evacuation systems through road, rail, inland and coastal waterways.

The aim here is to ensure that ports become the drivers of economic activity, Gadkari stated. Pointing out that India's maritime sector's performance was dismal in comparison to global powers, Gadkari lamented that the modal mix for India's transport systems were skewed towards railways and roads which not only cost a lot more but also lead to frequent accidents and loss of life. India's total tonnage of 10.50 million is a mere 0.8% share of the global shipping tonnage capacity.

To achieve sustainable growth in waterways transportation, the ministry of shipping has set a modest target of 10% share of overall modal mix by March 31, 2020. The document has also taken into consideration various opinions, suggestions, and problems identified by each state and attempted to address the same.

Source: [Times of India](#), 25 Aug 2015

China Repeals Shipping-Related Charges to Galvanize Trade

- Angela Yu

The Chinese government will slash seven shipping-related charges beginning in October in an effort to jump start trade as the government grapples with an economic slowdown. The Ministry of Finance and National Development and Reform Commission Tuesday announced the seven areas would be: port fees, escort fees for special vessels and marine projects, temporary ship registration fees, chimney logo/company flag fees, ship renaming and home port registration change fees, ship nationality certificate fees and scrapped vessel registration fees.

The move will relieve the burden on shipping enterprises and promote economic development along the Yangtze River, the government said. As the global macroeconomic outlook remains muddled and demand sluggish, China has been trying to stop a decline in exports through a variety of measures.

One such effort is the devaluation of the country's currency, the Yuan, in addition to initiatives geared toward improving customs clearance efficiency at the country's busy ports, and regulating administrative and service fees for imports and exports.

The shipping industry in particular has benefited from these efforts as in early August the Ministry of Transport and NDRC released a notice prohibiting port operators and pilot organizations from imposing charges for services other than pilotage (shifting), towage, berthing, oil boom, feeders, special trimming, waste disposal, and water, bunker, and power supply.

Despite a slowing economy and weaker global demand, container volume at the major Chinese ports rose 5 percent year-over-year in the first half of 2015 to nearly 78.2 million 20-foot-equivalent units, according to the Shanghai Shipping Exchange.

Source: [JOC](#), 26 Aug 2015

Hazira, Mundra Ports Gain from Congestion at JNPT

- TNN

Congestion at Jawarharlal Nehru Port Trust (JNPT) container terminals, especially at Nhava Sheva port, is proving to be beneficial to Hazira and Mundra ports in Gujarat. This could be gauged from the impressive performance registered by these ports in recent years. Recently, the Geneva-based container carrier, Mediterranean Shipping Company (MSC) added a direct call at Hazira's Adani Hazira Container Terminal (AHCT) to enhance direct connections between India, North Europe and Mediterranean.

Chronic congestion issues at JNPT has promoted regional players like Simatech Shipping, X-Press Feeders and Orient Express and international container carriers such as Maersk Line, CMA CGM and OOCL to add direct calls at Hazira in the last two years.

Long before Hazira, India's largest private sector port at Mundra in Kutch, which is operated by Adani Port and Special Economic Zone (APSEZ) started reaping benefits. The port has registered double-digit growth in container cargo over the last three years. As against this, JNPT's saw a dip in container cargo growth in 2012-13 and 2013-14, while it clocked a 7.21% growth in 2014-15.

Adani Hazira Container Terminal (AHCT), operated by Adani group at Hazira port, has seen its container cargo grow by 150%. "What is happening is that all the three container terminals under JNPT are working over and above their operational capacity. Hazira is a congestion-free port as of now and not very far from Nhava Sheva. Infrastructure created within and outside the port is far better from all the three ports in the neighboring state," said vice-president of Geneva-based Mediterranean Shipping Company (MSC), Captain Inderpal Singh.

According to industry experts, distance is another important factor. North India-bound cargo have started coming through Mundra port. Goods reach Delhi within 3-

4 days as the port is well connected by rail and roads. Transporting cargo from JNPT takes little longer as it uses busy Mumbai-Delhi rail route.

“Hazira and Mundra are benefiting from the congestion at JNPT. Also, the infrastructure at JNPT has not grown in proportion with the trade. A fourth terminal is being constructed at JNPT but this terminal should have been operational 10 years ago considering the increase in trade,” said Anand Sharma, director, Mantrana Maritime Advisory.

“In the last fiscal, we handled around seven million tones of container and bulk cargo including one million of liquid cargo. In 2015-16, we have set the target of achieving 16 million tons of cargo including 1.5 million liquid cargo” said COO of AHCT, A K Singh. Being closer to industrial belt of Vapi and Ankleshwar, Hazira is also getting cargo for Middle East and other countries.

Source: [Hellenic Shipping News](#), 27 Aug 2015

Visakhapatnam Port Trust (VPT) Moots Covering Coal Cargo to Check Dust Pollution

- Express News Service

Visakhapatnam Port Trust (VPT) held a meeting with the importers and exporters of coal at the port Thursday to discuss the pollution control measures taken by them and the port users.

Chairing the meeting, VPT Chairman MT Krishna Babu made a presentation on the key contribution made by VPT regarding handling of bulk cargo, environmental planning and green initiatives in and around the harbor. “Port handles dusty cargo like coal, which is essentially required for power plants. The emissions while handling such cargo is one of the important environmental aspects for designing the mitigation plan,” Krishna Babu said.

The VPT Chairman said that there was a well established environmental cell and environmental monitoring committee comprising stakeholders, members representing trade, defense, industries, Andhra Pradesh Pollution Control Board (APPCB), Andhra University and GITAM University, regularly monitoring air pollutants in ambient air and quality of harbor water.

Moreover, as a first step in controlling dust, mechanical dust suppression system has been commissioned along with a sewage treatment plant with 10 MLD for sprinkling water on roads and stack areas to avoid dust pollution. All efforts are being made to suppress dust by mechanization, Krishna Babu added.

Addressing the meeting, Visakhapatnam MP K Haribabu explained that the main agenda of the meeting was to implement various measures to control the dust pollution in Visakhapatnam. "One of the ways to bring down pollution is by covering the dusty coal cargo at stacks by tarpaulins," he advised.

He also said that the traders and the port management should send their representatives to various green ports like Hong Kong, Singapore and Colombo to study the procedures adopted by those ports to minimize dust pollution. The VPT Chairman asked the traders to initiate covering coal cargo, charging a minimum of `5 per ton.

Source: [Indian Express](#), 28 Aug 2015

Nitin Gadkari Goes about Easing Shipping Rules for Doing Business

- P. Manoj

Since assuming office as shipping minister after the Bharatiya Janata Party's victory in the April-May 2014 general election, Nitin Gadkari has been a man in a hurry. Many archaic rules have been brought in sync with contemporary times and requirements to improve the ease of doing business.

On 17 August, the government notified new rules for computing the non-resident status of Indian seafarers working on Indian flag ships. It ended a more than two-decade-old seafarers' taxation anomaly that is cited by local fleet-owners as the main reason for an acute shortage of seafarers to run their ships.

The government has clarified that the period of stay of seafarers outside India will be calculated from the date stamped on their continuous discharge certificate (CDC) a seafarer's identity document at the time of joining the ship for the voyage till the date entered in the CDC at the time of signing off. As a result, the period spent by a ship in Indian coastal waters is also taken into account for computing the non-resident status to be eligible for tax benefits.

A seafarer serving on Indian ships outside India for a period of 182 days or more in a year is considered to be a non-resident. However, the time spent by a ship in Indian territorial waters is considered as period of service in India, according to tax rules framed in 1990.

Hence, the number of days outside India of Indian crew working on such ships gets counted only from the date when the Indian ship crosses India's coastal boundaries. This led to difficulties in complying with the 182-day criterion for getting non-resident Indian status. However, Indian crews serving on foreign ships for 182 days or more are treated as non-resident, irrespective of where the ship trades.

Consequently, Indian seafarers preferred to work on foreign flag ships, enticed by higher "take home" pay packets, without having to pay tax in India. As a result, Indian flag ships that are by law required to hire only Indian crew faced an acute shortage of experienced manpower, particularly in the officers' category.

A few days earlier, Gadkari eased a so-called cabotage law by allowing some categories of foreign-registered ships to operate on local routes in a bid to help shift cargo movement away from road and rail to the coastal route, which is considered cheaper and more environment-friendly.

Gadkari also simplified the ship licensing regime for Indian ships by making it a one-time, life-long license co-terminus with the registration of the vessel. Earlier, Indian-registered ships had to renew their licenses every year from the director general of shipping, India's maritime regulator.

Many more large-scale revisions are on the anvil. These include re-writing the Major Port Trusts Act (MPT Act), 1963, to change the institutional structure of 11 of the 12 ports owned by the Indian government on the lines of India's Companies Act to help them function more efficiently and take decisions more independently and quickly.

Instead of pursuing the politically- and labor-sensitive task of converting these 11 ports into full-fledged corporate entities, Gadkari's ministry now plans to write key provisions of the Companies Act into the MPT Act, including structuring the board of trustees on the lines of board of directors of companies by appointing functional trustees, independent trustees and nominee trustees. The amendment seeks to help ports raise funds from the market through loans, bonds and debentures. It would also help them follow accounting and disclosure norms as per the Companies Act.

An all-new law to deal with India's shipping sector is also being readied by the ministry, which will replace The Merchant Shipping Act 1958. It seeks to promote ease of doing business by simplifying rules and regulations governing Indian ships and their operations.

The ministry has moved a bill in Parliament to declare 101 Indian rivers as national waterways which will pave the way for their development for cargo and passenger transportation. The omnibus law is expected to hasten the development of these waterways, unlike the earlier practice of enacting separate laws to deal with each of the five existing waterways.

To top it all is Gadkari's pet Sagarmala project, which seeks to achieve the broad objectives of enhancing the capacity of India's ports and modernizing them to

improve efficiency, thereby enabling them to become drivers of port-led economic development.

While the ministry has prepared the ground to help ease of doing business, the ball is now in the court of fleet-owners, investors and other stake holders to take the next steps towards realizing the full potential of the maritime sector.

Source: [Live Mint](#), 28 Aug 2015



120 Sealed Oil Barrels May Wash Ashore in Goa

- Murari Shetye

The Goa state pollution control board (GSPCB) has put various government departments on a coastal vigil for around 120 sealed oil barrels that may wash ashore. The departments, which will start the vigil from Monday, were issued directives by the GSPCB on the oil barrels after 80 oil barrels were recovered at Vengurla.

Speaking to TOI, GSPCB chairman Jose Manual Noronha said that out of the 200 sealed oil barrels found floating off Vengurla coast in Maharashtra, the Indian Coast Guard recovered around 80 oil barrels at Vengurla. The board doesn't have any information whether the barrels contain used oil, crude oil or any other type of oil.

"We have asked the Coast Guard to inform if any more oil barrels are spotted in the sea," Noronha said, adding that there is no need to panic about an oil spill because they are all sealed oil barrels. The district collectors have been designated as officers in-command and are in charge of activating shoreline response and operations.

After receiving letter from the Indian Coast Guard that the oil barrels may be headed towards Goa, Karnataka and Kerala, GSPCB alerted government departments including district collectors, captain of ports, director general of shipping, department of science and technology, tourism department, coastal police, forest department, fisheries department, National Institute of Oceanography (NIO), Union ministry of environment and forest, Mormugao Port Trust (MPT), water resources department, Goa coastal zone management authority, fire department, health department, village panchayats and animal husbandry department.

TOI had run a sustained campaign on the scourge of tar balls plaguing Goa's beaches, with suggestions for remedial measures from various experts. Based on the TOI campaign, the state government directed GSPCB to prepare Goa State Oil Spill Disaster Contingency Plan. Accordingly the GSPCB had released a plan.

Source: [Times of India](#), 17 Aug 2015

Microplastics and Microbeads Can Wreak Havoc on Marine Life

- Ronnie Meredith

The danger of microbeads or microplastics is discussed in a new study conducted by Plymouth University researchers. The study reveals the harm they have on marine animals. The small size of the microbead, a fraction of a millimeter in diameter, makes it very difficult to prevent them from entering rivers and oceans.

Researchers in the study that was published in Marine Pollution Bulletin estimated that 80 tons of unnecessary micro plastic waste enters the sea each year from the UK alone. These microbeads then enter the marine food chain where they are subsequently eaten by fish. Evidence reveals the harm they can cause on marine organisms.

The Canadian government is proceeding forward with regulations to remove plastic microbeads from personal care items such as toothpaste. The government contends this policy provides for the safety of its citizens and shields the environment from harmful chemical elements.

A component of a multitude of products, microbeads aid in exfoliating and cleansing the skin. They can be found in lotions, cosmetics, toothpastes, shampoos and in specific over-the-counter medications. Their primary purpose is to provide a certain polish or feel.

Microbeads are not directly harmful when used for human hygiene, but they do enter the environment when the products incorporating them flow down household drains. When they enter the groundwater system, they migrate to rivers, lakes and oceans where they are ingested by aquatic residents. Microbeads pose a serious health risk to fish and to the humans who consume them.

The substance has been designated as a major contaminant in lakes, rivers and streams. Scientists have discovered extremely high levels of these micro-plastics in the Canadian areas of The Great Lakes. A study that was released in April states the highest level measured was 466,000 particles/km² with an average of 43,000 particles/km² throughout all the samples. The largest concentrations of micro-plastics were found in Lake Erie, and represented 90 percent of the total plastics found.

The Canadian government, in conjunction with Environment Canada and Health Canada, has created the nation's Chemicals Management Plan. This policy endeavours to contain the flow of microbeads into the environment. The government states the Chemicals Management Plan is of paramount importance to ascertain particular chemicals used in Canada and take the necessary steps to remove those known to be harmful.

As a component of the Chemicals Management Plan, Environment Canada has conducted an extensive scientific review and has examined more than 130 scientific papers in addition to its discussions with experts that will be released in the near future. According to the research, microbeads definitely contribute to plastic litter in rivers, lakes and streams.

Also, a proposed Order will be placed into effect as the first concrete action towards placing microbeads to the List of Toxic Substances under CEPA, 1999. This is extremely important as it entitles the Canadian government to regulate microbeads.

Source: [Ameri Publications](#), 26 Aug 2015

P.E.I. (Prince Edward Island) Sea Grass Study to Monitor Ocean Health

A research team from the University of New Hampshire is using P.E.I. to monitor ocean activity. Dr. Fred Short, the director of the Global Sea grass Monitoring Network, and his team were on the Island Friday setting up a research station to look at coastal sea grass.

"The sea grasses are an indicator of how the coastal waters are. They detect pollution effects, nutrient effects, sediment runoff effects," Short said. "Things that degrade our coastal environment are first indicated by the health of the sea grass."

Researchers will collect samples of the grass and analyze them on the Island. The findings will be sent to the global lab in England. Researchers need about a year to establish a baseline for the sea grass, Short says the findings are vital for ocean health.

They will be able to mark changes in the sea grass to determine the health of Maritime waters. The P.E.I. research station joins Atlantic monitoring sites in Newfoundland, Nova Scotia and New Brunswick in the project.

Source: [CBC News](#), 30 Aug 2015