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Indian Ocean Region: Critical Sea Lanes for Energy Security

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Synopsis

The Indian Ocean region is home to three critical sea lanes used for global energy transportation. The disruption of these sea lanes, even temporarily, can lead to substantial increases in energy costs. What actions are required to keep these sea lanes safe?

Commentary

CHOKPOINTS are narrow channels along widely used global sea routes. They are a critical part of global energy security due to the high volume of oil traded through their narrow straits. The Strait of Hormuz, leading out of the Persian Gulf, and the Strait of Malacca linking the Indian and the Pacific Oceans are two of the world's most strategic chokepoints. They lie in the Indian Ocean region.

Another important passage in the Indian Ocean region is the Bab el-Mandab, which connects the Arabian Sea and the Red Sea which leads to the Suez Canal. As the international energy market is dependent on reliable transport, the blockage of a chokepoint, even temporarily, can lead to substantial increases in total energy costs. As a result, the international community has been concerned about the security of these regional sea lanes and how resilient these are to protect shipping.

Strait of Hormuz

The first of these chokepoints is the Strait of Hormuz. It is a narrow waterway between the Gulf of Oman in the southeast and the Persian Gulf. On the north coast is Iran and on the south coast is the United Arab Emirates and Musandam, an enclave of Oman. The Strait of Hormuz is the world's most important oil chokepoint due to its daily oil flow of 17 million barrels, which is roughly 40 percent of all seaborne traded oil.

In terms of security threats, there have been a few notable confrontations between the US Navy and the Iranian Navy in the Straits of Hormuz. In particular, senior Iranian officials have threatened to seal off the Strait of Hormuz to wreak havoc in oil markets. In response, the United States has deployed its 5th Fleet in Bahrain across the Persian Gulf from Iran to forestall such a possibility.

Straits of Malacca and Singapore

The second chokepoint is the Straits of Malacca and Singapore. It provides the main corridor between the Indian Ocean and the South China Sea and is a major sea lane used by tankers from the Middle East carrying an estimated 15 million barrels of oil through the straits daily.

The twin threats to shipping in the straits include piracy and maritime terrorism. The Malacca Strait is conducive to pirate attacks due to the narrowness of the strait and its proximity to numerous channels and islets where attacks can be launched from. Maritime terrorism also continues to be a threat. In March 2010, the Republic of Singapore Navy's Information Fusion Centre issued an advisory to shipping that a terrorist group could be planning attacks on oil tankers in the Strait.

The regional countries have instituted two initiatives to counter the threats of piracy and maritime terrorism. The first is the conduct of air and sea patrols by the littoral countries of Malaysia, Indonesia, Singapore and Thailand and the second is the setting up of the ReCAAP Information Sharing Centre in Singapore which collates and analyses piracy incidents in the Asian region.

Strait of Bab el-Mandab

The third chokepoint is the Strait of Bab-el-Mandab. It lies between the Horn of Africa and the Middle East, and is a strategic link between the Mediterranean Sea and the Indian Ocean. Exports from the Persian Gulf must pass through the Bab el-Mandab before entering the Suez Canal. An estimated 3.3 million barrels of oil per day flow through this waterway toward Europe, the United States and Asia.

Security remains a concern for foreign firms doing business in the region due to two maritime terrorist attacks. The first was on the USS Cole in 2000 and the second was on the French tanker, Limburg, in October 2002, both of which were attacked off the coast of Aden, Yemen. More recently, the rampant piracy has become a problem in the Gulf of Aden and in the Indian Ocean.

To combat the threat of piracy, the international community has sent ships to patrol the area to deter the pirates. There are also patrols aimed at deterring terrorism. Besides the presence of the international community, there has also been a nascent regional response to the piracy incidents in the form of the Djibouti Code of Conduct. Modelled after the ReCAAP, three information sharing centres were planned to be established in Yemen, Djibouti and Kenya.

Continued Need for US Presence

The threats faced by the critical sea lanes in the Indian Ocean region range from the traditional, state-closure of the Straits of Hormuz, to the non-traditional, like piracy and maritime terrorism in the Gulf of Aden and the Malacca and Singapore Straits. The measures taken to address the threats in the three sea lanes are also different and have an impact on the long term sustainability and efficacy of the measures.

The littoral states have primarily driven the efforts in the Straits of Malacca and this has yielded most success as piracy rates has dropped in the Straits since 2005. In contrast, the international community has been driving most of the measures taken in the Gulf of Aden with a nascent regional effort underway in the form of the Djibouti Code of Conduct. Yet, the piracy rates have continued to increase, despite the presence of the international forces. An external power, the US Navy, has also been the main deterrent against Iranian moves to close the Straits of Hormuz.

Hence, it can be surmised that for most of the Indian Ocean region, a strong external presence, either in the form of the US Navy or a coalition of international forces, is still required to guarantee the security of its sea lanes and the safe passage of global energy trade. The necessity for this strong external presence will only diminish with increasing regional involvement in sea lane security and with a strong regional power taking the lead in security operations. However, as this is not likely to happen in the near future, the continued US presence in the region proves critical.

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