



**S. RAJARATNAM SCHOOL
OF INTERNATIONAL STUDIES**
A Graduate School of Nanyang Technological University

Broader Horizons

A Monthly Maritime Bulletin and Perspectives of the Maritime Security Programme at the S. Rajaratnam School of International Studies

Featured *MSP Perspectives*:



**South Korea: Maritime challenges
from all sides - p. 1**

By Euan Graham

MSP Perspectives: *New

South Korea: Maritime challenges from all sides – p. 1

Naval Development & Policy:

China's maritime expansion could go beyond Taiwan: experts– p. 3

Maritime Safety & Security:

Beijing in Fresh Sea Row with Hanoi - p. 7

Shipping, Ports, & the Maritime Economy:

Shipping industry highlights challenges of overcapacity, rising oil prices– p. 10

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MSP Perspectives

SOUTH KOREA: MARITIME CHALLENGES FROM ALL SIDES

By Euan Graham
Senior Fellow, Maritime Security Programme

South Korea has been under pressure from two different sorts of maritime challenges, even as its navy is preparing for North Korea's impending rocket launch and other contingencies around the Peninsula. In early March, maritime tensions rose with China, following reports that [the head of China's State Oceanic Administration had ordered monitoring by surveillance vessels and aircraft nearby a submerged feature within the East China Sea, where the two countries' Exclusive Economic Zones \(EEZ\) overlap](#). The feature, formerly known as Socotra Rock, and claimed by South Korea as leodo, lies around 150 kilometres from Marado island, southwest of Jeju. [China has claimed jurisdiction in the area since 2006, though its closest territory is somewhat further away](#).

In 1987, the South Korean government attached a warning beacon to the rock, which lies barely 4 metres below the surface. Construction was stepped up significantly in the late 1990s and since 2001 the feature has supported an artificial platform, which hosts an ocean research station. [The South Korean government claims that the structure falls within its EEZ, as defined by a median line with China, and further asserts that the feature forms part of Korea's continental shelf](#). Under the UN Convention on the Law of the Sea (UNCLOS), however, there is no basis for claiming sovereignty over a permanently submerged feature, or of it independently generating maritime jurisdictional zones.

In early March, China's ambassador to Seoul was called in to clarify China's position. [President Lee Myung-bak, while denying that there was any territorial dispute over the feature, was also quoted by Korean media as saying that "I believe leodo will be](#)

[recognised as being under our sovereignty if the government discuss the matter with China.](#)" Such a claim has potential to complicate the existing bilateral maritime boundary dispute by inviting a Chinese territorial counter-claim.

What explains this raising of the rhetorical ante on both sides? The unresolved EEZ delimitation between China and South Korea has been problematic in the past, but [tensions have remained high since last December when two South Korean Coast Guard officials were stabbed, allegedly by Chinese fishermen operating within the EEZ claimed by Seoul](#). One later died of his injuries. Diplomatic relations have deteriorated since 2010, over what Seoul perceives as China's unflinching diplomatic support for North Korea, despite a pattern of military provocation from the

North. South Korea, in common with other states along China's maritime periphery have also viewed a more assertive China, backed by growing naval and paramilitary capabilities, with increasing apprehension. In the wake of the December 2011 incident, calls to beef up South Korea's Coast Guard have mounted. Meanwhile, the proximity to Korea of China's newly operational aircraft carrier, based at Dalian, has sharpened

naval threat perceptions, and the dilemma of whether South Korea's navy should continue to invest in 'high-end' blue water capabilities, even as its ability to defend coastal and offshore areas has been questioned by North Korea's effective use of asymmetric force in 2010.

Compounding these external challenges, the Korean navy faces challenges from within, in the form of political opposition to the construction of a new naval base on Jeju island. The navy has pushed for a

At a time when South Korea faces multiple external maritime security challenges, the navy's future blue water development could be hit by the politicisation of the Jeju base construction.

base on the island, since Jeju offers South Korea's best access to open water and its most important sea lines of communication. Construction began in March, on the 480,000-square metre facility, which government plans to complete by 2015, with the aim of providing berthing facilities capable of taking the navy's Aegis guided missile destroyers and possibly submarines. However, the project has encountered significant local resistance. The island's relations to the mainland are complicated, anti-military sentiment is strong and there is deep concern about the environmental impact of the base. MPs from the main opposition party, seeking to regain the presidency in December's

elections, have picked up the cause, labelling the project a "pirate base". Further complicating the navy's position, important defence reforms are pending in parliament that could mean coastal defence is re-prioritised, at the expense of other 'blue water' missions (See [RSIS Commentary, No. 183/2011](#)).

At a time when South Korea faces multiple external maritime security challenges, the navy's future blue water development could be hit by the politicisation of the Jeju base construction. Increasing public awareness of maritime tensions with China might just help the navy to overcome its more immediate domestic challenges.

For a longer version of this article, please see [RSIS Commentary No. 63/2012](#)

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Naval Development & Policy

CHINA | 20 MARCH | FOCUS TAIWAN

China's maritime expansion could go beyond Taiwan: experts

Taipei, March 20 (CNA) China's maritime power is expected to expand to the South China Sea, beyond Taiwan and as far as Africa as the country's development progresses, U.S. military experts said recently. The current analyses on the naval power of China's People's Liberation Army Navy (PLAN) have gone beyond the domain of Taiwan issues, and discussions on the South China Sea and Africa have become more and more important, said Daniel Hartnett, a China analyst of the U.S-China Economic and Security Review Commission under the U.S. Congress.

[Full Report](#)

[See RSIS Commentary](#)

CHINA-S.KOREA | 13 MARCH | CHOSUN ILBO

China Boosts Naval Presence near Korean Peninsula

Alarm bells are ringing in some quarters here as China becomes more assertive in waters near the Korean Peninsula. Beijing reportedly wants to include a submerged rock effectively controlled by Korea in regular maritime patrols near the peninsula and deploy its first aircraft carrier there in August. It is also bolstering naval facilities at Dalian port and increasing the number of naval destroyers.

[Full Report](#)

CHINA-S.KOREA | 14 MARCH | KOREA TIMES

Beijing's naval buildup leaves Seoul vulnerable

Korea and China will resume working-level talks soon to draw a maritime boundary to end a dispute regarding leodo, a submerged reef in waters south of Jeju Island. Prospects for progress in the meeting are bleak, given that the previous 16 rounds of talks ended in vain. Analysts indicate that China's use of leodo for its maritime ambitions is behind the strained dialogue. Maritime law experts here say China will find it

challenging to prove that the reef, submerged 4.6 meters below sea level, is part of its territory.

[Full Report](#)

ASIA | 7 MARCH | THE FINANCIAL TIMES

Asia defence spending to overtake Europe

Asia is set to outspend Europe on defence this year for the first time in modern history as European Union nations cut military budgets and Chinese expenditure rises, a think-tank says. Highlighting the shift in military power across the world, the International Institute for Strategic Studies said on Wednesday that Asian defence spending was poised to overtake that of European states.

[Full Report](#)

[See RSIS Commentary](#)

CHINA-RUSSIA | 31 MARCH 2012 | DONG-A ILBO

Sino-Russian naval drill in Yellow Sea to send warning to US

China and Russia plan to conduct a large-scale joint naval exercise in the Yellow Sea in April and May

apparently to counter U.S.-led drills with South Korea and Japan that have grown frequent since the announcement of Washington's "return to Asia" policy. Chinese Defence Ministry spokesman Yang Yujun told a news briefing Thursday that Beijing and Moscow will carry out the joint exercise, which is aimed at deepening the Sino-Russian strategic partnership of cooperation and enhancing their capabilities for responding to new challenges and threats.

[Full Report](#)

S. KOREA | 12 MARCH | JOONGANG DAILY

Jeju naval base protesters get more extreme

JEJU - Residents of Gangjeong Village and those who oppose the Jeju naval base construction are aggressively and illegally obstructing construction work, causing delays to the completion of the base. At 6:10 p.m. on Saturday, a group of progressive civic activists, including minister Song Gang-ho, jumped into the sea near the naval base construction site in Seogwipo and began swimming toward the base after they were stopped from entering the site on a pair of kayaks. "I decided to swim towards the construction site as a protest," Song told the JoongAng Ilbo.

[Full Report](#)

Philippines-Vietnam | 29 MARCH | INTELLASIA

Philippines, Vietnam mull Spratlys 'war games'

The Philippines and Vietnam plan to hold joint naval exercises and patrols along common maritime borders in the West Philippine Sea where the two nations have staked claims to some of the Spratly islands. The agreement was made during the visit of Philippine Navy officials led by Flag Officer in Command vice Admiral Alexander Pama to Vietnam from March 11 to 14.

[Full Report](#)

S.KOREA | 7 MARCH | THE KOREA TIMES

Blast begins for naval base construction on Jeju

A construction company began blasting a rock bed at the site of a new naval base on Jeju Island Wednesday despite calls from the provincial government and civic groups to halt the controversial project. Workers detonated explosives on the Gureombi seashore off Gangjeong Village in Seogwipo at 11:23 a.m. Several more blasts followed in the afternoon, using 800 kilograms of explosives.

[Full Report](#)

PHILIPPINES | 1 MARCH | THE PHILIPPINE DAILY INQUIRER

Mindanao town execs look forward to PH-US naval war games in June

GENERAL SANTOS CITY, Philippines—Officials of the coastal town of Glan in Sarangani province have started preparations for their hosting of a joint naval exercise between the Philippine and US navies at the end of June. Lieutenant Joseph Armand Sieras, operations officer of the Naval Forces in Eastern Mindanao, said the two-week exercise will be held from June 28 to July 9 under the codename "Cooperation Afloat Readiness and Training Exercise 2012, or Carat.

[Full Report](#)

INDIA-INDONESIA | 10 MARCH | ANTARA NEWS

Indian Warship Visits Makassar in South Sulawesi

Makassar, South Sulawesi (ANTARA News) - The Indian warship INS Ranjit has arrived at Soekarno-Hatta seaport in Makassar, South Sulawesi, for a joint exercise and tour. "The Indian warship will also conduct logistics re-supplying while its crew visits several tourism sites in the region," Naval Base IV spokesman Major Darmawangsa said here on Saturday.

[Full Report](#)

JAPAN-INDIA-US | 12 MARCH | THE NEW INDIAN EXPRESS

Indo-US naval exercise: Japan to become observer

NEW DELHI: Even as India said no to multilateral military exercises lest it make China wary, Japan is likely to be the observer of the 2012 edition of the Indo-US Malabar naval exercise in the Bay of Bengal. India has decided not to expand the Malabar exercise after China strongly objected to the 2007 edition of the Malabar exercise that saw the participation of five countries - India, US, Australia, Japan and Singapore. Beijing has seen the exercise as a grouping of democratic countries in the Asia-Pacific region to contain the rise of that country.

[Full Report](#)

ASEAN-VIETNAM | 29 MARCH | VIETNAM NEWS

ASEAN naval officers meet in Viet Nam

KHANH HOA — Around 30 young naval officers from ASEAN countries gathered in central Nha Trang City yesterday to promote friendship, solidarity and cooperation between regional naval forces. Hosted by the Viet Nam People's Navy based on an initiative proposed at the 5th ASEAN Naval Chiefs' Meeting (ANCM-5) in Ha Noi in July last year, the exchange also aims to share experience and professional knowledge.

[Full Report](#)

VIETNAM | 2 MARCH | NHAN DAN

Vietnam's most modern warship puts to sea

The High Command of Naval Zone 2 has received the vessel HQ272, the most modern ocean going patrol boat to be made in Vietnam to date at a ceremony on March 1. To mark the occasion, the High Command was presented with the President's Order, third class, for their work upgrading the maritime platforms DK 14 and 15.

[Full Report](#)

S. KOREA-INDONESIA-TURKEY | 19 MARCH | HURRIYET NEWS

S Korea's price hike in sub deal raises Turkish hopes

A German-Turkish joint bid for building U209 subs for Indonesia may revive after the winner Korean firm's decision to raise the price by \$300 million unilaterally. A German-Turkish joint venture striving to win a contract to build submarines for Indonesia is waiting for word from Jakarta after their South Korean rival raised the price for three submarines it has agreed to build for the country by \$300 million, a senior Turkish procurement official said.

[Full Report](#)

[See RSIS Commentary](#)

US-AUSTRALIA | 27 MARCH | THE TIMES

US Marines to deploy in Australia within weeks

The United States is planning to expand military ties with Australia beyond the deployment of Marines to Darwin from next month. The move, which includes naval access to Western Australia and a coral atoll in the Indian Ocean, come as the Pentagon seeks to widen its influence in Southeast Asia. It is a further indication of Washington's increasing interest into the strategically important Indian Ocean, South China Sea and Western Pacific as China expands its presence in the region.

Full Report Available Upon Request

US-AUSTRALIA | 27 MARCH | THE WASHINGTON POST

U.S., Australia to broaden military ties amid Pentagon pivot to SE Asia

The United States and Australia are planning a major expansion of military ties, including possible drone flights from a coral atoll in the Indian Ocean and increased U.S. naval access to Australian ports, as the Pentagon looks to shift its forces closer to Southeast Asia, officials from both countries said.

[Full Report](#)

US-S.KOREA | 9 MARCH | THE KOREA TIMES

Korea, US to wrap up joint exercise

Korea and the U.S. are set to wrap up their annual joint military exercise, called the Key Resolve, later Friday, officials said. The exercise mobilized about 200,000 Korean troops and some 2,900 U.S. troops, including 800 from overseas. The Key Resolve began on Feb. 27. During the exercise, the allies discussed ways to prevent the leaking of North Korean weapons of mass destruction outside the peninsula in contingencies.

[Full Report](#)

CHINA-CAMBODIA | 31 MARCH | REUTERS

Hu wants Cambodia helps on China sea dispute, pledges aid

(Reuters) - Chinese President Hu Jintao asked close economically Cambodia on Saturday not to push talks on the vexed issue of the South China Sea "too fast" as he pledged to double bilateral trade to \$5 billion and announced fresh aid to the impoverished country. Cambodia holds the rotating chair of the 10-member Association of Southeast Asian Nations (ASEAN) this year, giving it influence over the agenda and talks over resolving growing tensions in the disputed maritime area.

[Full Report](#)

INDONESIA-US-AUSTRALIA | 15 MARCH | THE JAKARTA POST

Indonesia interested in US training in Australia

Indonesian ministers said Thursday they were comfortable with a planned increase in U.S. troops in northern Australia seen as an attempt to contain China and hoped to join in training exercises focused on disaster relief. President Barack Obama announced in November a plan to send U.S. military aircraft and up to 2,500 Marines to the northern Australian city of Darwin to create a training hub to help allies and protect American interests across Asia.

[Full Report](#)

Maritime Safety and Security



CHINA-VIETNAM | 1 MARCH | THE WALL STREET JOURNAL

Beijing in Fresh Sea Row With Hanoi

BEIJING—China became embroiled in a fresh South China Sea dispute, rejecting allegations from Vietnam on Thursday that Chinese forces assaulted and tried to rob Vietnamese fishermen while blocking them from seeking refuge during a storm. The angry exchanges between Beijing and Hanoi came a day after Forum Energy, a U.K.-based company, vowed to continue to explore for oil in a section of the South China Sea under an agreement with the Philippines, despite Chinese territorial claims to the area.

[Full Report](#)
[See RSIS Commentary](#)

VIETNAM-CHINA | 1 MARCH | NHAN DAN

Vietnam blast China for assault on fishermen

Vietnam has indisputable sovereignty over the Hoang Sa (Paracel) and Truong Sa (Spratly) archipelagos, said Foreign Ministry spokesman Luong Thanh Nghi on February 29. The comment was made in response to the media's queries about Vietnam's reaction to an incident on February 22 when China used force to threaten 11 fishermen on a vessel from Quang Ngai province, preventing them from entering the Hoang Sa Archipelago to avoid strong wind.

[Full Report](#)
[See RSIS Commentary](#)

CHINA-VIETNAM | 22 MARCH | XINHUA

China urges Vietnam to stop illegal fishing operations

BEIJING, March 22 (Xinhua) -- China on Thursday confirmed that it will conduct lawful checks of Vietnamese fishing ships in the Xisha islands. "The Vietnamese side should take effective measures to educate and manage its fishermen and stop illegal fishing operations," Foreign Ministry spokesman Hong

Lei said at a regular press briefing. Hong said a large amount of Vietnamese fishing ships have recently entered China's territorial waters near the Xisha Islands to conduct illegal fishing operations.

[Full Report](#)

CHINA-VIETNAM | 28 MARCH | CHINA DAILY

China looking after Vietnamese caught fishing illegally

GUANGZHOU - The 21 Vietnamese fishermen detained for illegal fishing operations in China's territorial waters have received humanitarian care from the Chinese side, a Chinese fishery official said Tuesday. One ill fisherman also was given timely medical treatment, said Liu Tianrong, deputy director of the South China Sea Fishery Administration under the Ministry of Agriculture. The 21 fishermen on two boats were caught bomb fishing in China's territorial waters near the Xisha Islands by a Chinese patrol vessel on March 4. They are now being held on Xisha's Yongxing Island.

[Full Report](#)

Hanoi Urges Beijing to Release Sailors

BEIJING—Vietnam asked Beijing to release 21 sailors that it claimed Chinese forces have held since early this month after fishing in contested waters, in the latest row between the two rivals over the South China Sea. In a statement dated Wednesday, Vietnam Foreign Ministry spokesman Luong Thanh Nghi said Hanoi is "asking for an immediate and unconditional release of the fishermen," as well as an end to harassment of Vietnamese fishermen by China.

[Full Report](#)

India, China, Japan join hands for anti-piracy operations

New Delhi, March 14: India has joined China and Japan to coordinate their anti-piracy operations and naval deployment in the Gulf of Aden to escort merchant vessels, the Rajya Sabha was informed Wednesday. "India, China and Japan have recently agreed for better coordination amongst their naval ships deployed for anti-piracy operations in the Gulf of Aden," Defence Minister A.K. Antony said in a written reply.

[Full Report](#)

China, Japan, India cooperating well on anti-piracy activities

BEIJING: China today said its cooperation with the Indian and Japanese navies on international naval escort activities against pirates was proceeding smoothly and winning accolades from the shipping industry. As the reference country of the first quarter, China announced its escort schedule in time and India and Japan made their own escorting plans accordingly so that the three managed to carry out their escort operations in a more orderly and efficient way, Yang Yujun, Chinese Defence Ministry spokesman said today.

EU Naval Force: Somali Hostage Rescue "Too Risky"

While family members of a South African couple held hostage by Somali pirates since 16 months ago were asking the world community for a rescue operation, an EU naval commander said Monday such a move "would be too risky." Fearing the risk of mass casualties, an international counter-piracy force operating off the coast of Somalia has ruled out the possibility of carrying out an armed raid to free 220 seafarers held hostage there, including the South African couple, Bruno Pelizzari and Debbie Calitz.

[Full Report](#)

Warships deployed to prevent fuel smuggling in Central Sulawesi

The Indonesian Navy base in Palu, Central Sulawesi, has deployed three warships to help prevent any efforts to smuggle fuel earmarked for inter-island supplies through the Makassar Strait. Palu naval base commander Col. Boedi Oetomo said on Wednesday that the KRI Birang 831, Andau Navy ship and Pantoloan sea patrol boat had been deployed.

[Full Report](#)

Six foreign boats caught poaching fish in Indonesian waters

Jakarta (ANTARA News) - Indonesia's ministry of fisheries patrol ship `Hiu` has caught six boats from Thailand and Vietnam illegally fishing in the country's offshore waters. The foreign boats were apprehended in the Indonesian exclusive economic zone on March 29, fisheries minister Sharif Cicip Sutardjo said here on Friday.

[Full Report](#)

INDONESIA | 16 MARCH | THE JAKARTA POST

Last four RI fishermen detained in KL return home

The Maritime Affairs and Fisheries Ministry says that the last four of 94 Indonesian fishermen detained in Malaysia for allegedly trespassing the sea border between the two neighbouring countries on the Malaka Strait have returned home. The fishermen arrived at Polonia International Airport in Medan, North Sumatra, on Thursday, accompanied by several ministry officials.

[Full Report](#)

[See RSIS Commentary](#)

CHINA-S. KOREA | 14 MARCH | CHOSUN ILBO

New Island Bases to Help Fight Against Illegal Chinese Fishing

Korea will build naval bases on Baeknyeong and Heuksan islands in the West Sea to respond more quickly to illegal incursions of Chinese fishing fleets. Maritime police will man the bases around the clock. An official at the Ministry of Land, Transport and Maritime Affairs said on Tuesday, "We decided to build the forward bases so that our maritime police can respond faster to illegal fishing by Chinese fishermen."

[Full Report](#)

CHINA-S. KOREA | 7 MARCH | THE KOREA TIMES

High-tech patrol vessel deployed to counter illegal Chinese fishing

The government has deployed a high-tech patrol vessel, designed to efficiently tackle unauthorized Chinese fishing in Korea's territorial waters and exclusive economic zones (EEZ). The Ministry for Food,

Agriculture, Forestry and Fisheries (MIFAFF) held a ceremony Wednesday to launch the ship, named Mugunghwa I, after the Korean national flower, in the south-eastern port city of Busan.

[Full Report](#)

MALAYSIA-THAILAND | 26 MARCH | THE NEW STRAITS TIMES

Thais held over illegal fishing

KUCHING: FOREIGN fishing vessels are back in Malaysian waters with their old tricks. The vessels are still using the old method of disguising themselves by putting up fake registration numbers and flying the Jalur Gemilang to catch fish illegally. Last Friday, the Malaysian Maritime Enforcement Agency patrol ship KM Cekal spotted a suspicious looking vessel fishing 130 nautical miles north of Tanjung Po at 10pm.

[Full Report](#)

AUSTRALIA | 28 MARCH | THE AUSTRALIAN

Alleged smugglers linked to boat accident

COURT documents have linked two men arrested and charged in Australia on people-smuggling charges to a boat accident off the coast of Indonesia in which hundreds of asylum seekers died. The overloaded vessel broke apart and sank in heavy seas off eastern Java on December 17.

[Full Report](#)

GLOBAL | 26 MARCH | LLOYD'S LIST

Armed guards use floating armouries

DESPITE the legal grey area that surrounds floating armouries, they may be permitted if private maritime security companies prove they can fulfil licensing requirements.

Full Report Available Upon Request

Shipping, Ports, and the Maritime Economy

SINGAPORE | 14 MARCH | CHANNEL NEWS ASIA

Shipping industry highlights challenges of overcapacity, rising oil prices

Oversupply of vessels, rising oil prices and falling freight rates: these are among the woes that are hotly discussed by shipping companies at a maritime conference in Singapore. Industry players say it will take another two years for shipping liners to regain profitability. Hyundai, ExxonMobil and Siemens are among the 1,300 companies promoting their wares at the 12th Asia Pacific Maritime conference.

[Full Report](#)
[See RSIS Commentary](#)

INDONESIA-CHINA | 27 MARCH | THE JAKARTA POST

Full Report Available Upon Request

China invests Rp. 1.4t in RI's maritime sector

China's State Oceanic Administration (SOA) signed an agreement with Indonesia's Maritime Affairs and Fisheries Ministry last week for a joint cooperation that would involve capital investments worth Rp 1.4 trillion (US\$152.6 million) over five years to help develop the domestic maritime industry.

[Full Report](#)

INDONESIA | 23 MARCH | TRADEWINDS

Offshore demand fuels tanker buys

Growing demand in the Indonesian offshore oil sector is prompting higher levels of interest for older tanker tonnage to be converted into floating production units. Several players in floating production, storage and offloading (FPSO) units and floating storage and offloading (FSO) units are taking part in hotly contested tenders to provide vessels that will invariably have to be brought under the Indonesian flag after coming out of Asian yards specialising in such conversions.

CHINA-INDONESIA | 30 MARCH | UPSTREAM

Sumatra FSO to be replaced

China National Offshore Oil Corporation (CNOOC) is expected to issue a formal tender soon for the supply of a floating storage and offloading vessel to replace the Lentera Bangsa floating storage offloading vessel damaged by fire in late 2011, writes Tan Hwee Hwee. CNOOC SES, the Indonesian unit of the Chinese national oil company, is said to have pre-qualified as many as nine Indonesian contractors for the upcoming tender.

Full Report Available Upon Request

INDONESIA | 23 MARCH | TRADEWINDS

Pertamina VLGC tender could herald more joint ventures

Pertamina of Indonesia is poised to launch a tender to charter in a very large gas carrier (VLGC). Gas-shipping sources indicate they expect Pertamina to launch the

tender early next month in a move that might see a new round of joint ventures between gas players and Indonesian shipping interests, along with the sale of a VLGC to whichever entity wins the contract.

Full Report Available Upon Request

REGIONAL | 16 MARCH | REUTERS

Asia oil buyers urge EU to revise Iran sanctions

Japan, South Korea and global ship insurers are lobbying European Union (EU) officials to revise planned sanctions against Iran to allow Europe's insurance market to continue to cover Iranian oil shipments to Asia, government and industry sources said. An EU oil embargo due to take effect in July to stop its members from importing Iranian oil would also stop European insurers and reinsurers from indemnifying vessels carrying Iranian crude and fuel anywhere in the world, according to a report in our sister publication, the Gulf Daily News.

[Full Report](#)

REGIONAL | 21 MARCH | SEENEWS SHIPPING

Maersk Line to lift rates on Far East to Americas trades

Maersk Line to lift rates on Far East to Americas trades
Danish container carrier Maersk Line announced it would impose general rate increases (GRIs) on the trades from the Far East to the USA, Canada, South America's west coast, Central America and the Caribbean, effective April 15. Shippers will be charged an additional USD 320 (EUR 242) per twenty-foot container, USD 400 per forty-foot container, USD 450 per forty-foot high cube container and USD 505 per forty-five high cube container sailing from Brunei, Cambodia, China, Hong Kong, Indonesia, Japan, South Korea, Laos, Macau, Malaysia, Mongolia, Philippines, Singapore, Taiwan, Thailand, Timor Leste and Vietnam to the USA (including the Virgin Islands).

Full Report Available Upon Request

SOUTH KOREA | 20 MARCH | MAEIL BUSINESS NEWS

Hyundai Mipo Dockyard marks 600th shipbuilding

Hyundai Mipo Dockyard, a South Korean shipbuilder, said Monday it has set a new milestone, completing a total of 600 vessels, or 16.5 million tons, since 1997. The 600th vessel building was marked with the delivery of a 1,000-TEU ship to a local shipping company. The company achieved the completion of 500 vessels in January of last year.

[Full Report](#)

NEW ZEALAND | 12 MARCH | CARGONEWS ASIA

Strikes Continue To Disrupt Ports Of Auckland

Strikes continue to disrupt the main port in New Zealand's largest city, Auckland, with a cruise ship and a container ship both delayed Monday, Ports of Auckland said in a statement. Work at the port, which is owned by the local government, has been hit by a series of strikes and lock outs, as the company's management and the Maritime Union of New Zealand fail to reach a consensus on a new collective employment agreement.

[Full Report](#)

CHINA | 14 MARCH | FINANCIAL TIMES

Shipyards likely to seek Chinese partners

Europe's shipyards are likely to form joint ventures with Chinese yards to construct cruise ships tailored to the local market, the chairman of the world's largest cruise ship builder has predicted as the sector faces growing Asian competition. Corrado Antonini, chairman of Italy's state-owned Fincantieri, was speaking at Cruise Shipping Miami, the biggest annual gathering for the cruise shipping industry.

Full Report Available Upon Request

CHINA | 12 MARCH | HONG KONG GOVERNMENT NEWS

Dalian Port Steps Up to Global Top 10

The Global Port Development Report 2011 was published by the Shanghai International Shipping Institute (SISI) on March 1. It shows that China's ports had strong performances in 2011, occupying 7 positions in the global top 10. Due to the impact of global economic weakness, the growth rate of cargo throughput at ports all over the world has dropped by 7.3% from 14% in the past, showing a weak tendency.

Full Report Available Upon Request

CHINA/MALAYSIA | 31 MARCH | THE TELEGRAPH

Cruise ship Azamara Quest limps back to port after engine room fire

The Azamara Quest was on a voyage from Hong Kong to Singapore when a blaze broke out on Friday evening, forcing the 700 passengers to gather at evacuation points as a precaution. On Saturday, though, after several hours adrift in the seas off the Philippines, it regained engine power and began heading for repairs at the port of Sandakan in Malaysia.

[Full Report](#)

CHINA | 31 MARCH | CHINA DAILY

COSCO suffers biggest loss since listing

China Ocean Shipping (Group) Company, the largest State-owned shipping conglomerate in China, suffered a loss of 10.5 billion yuan (\$1.64 billion) in 2011, its biggest since it was listed seven years ago, compared with a profit of 6.8 billion yuan in the previous year. This is also one of the largest financial losses amid widespread industry deficits in 2011, thanks to the surging oil price and a glut of vessel supply in shipping markets that seriously depressed freight rates.

[Full Report](#)

CHINA | 30 MARCH | TRADEWINDS

China detains crew of grounded boxship 'Bareli'

A total of 21 crew from the stricken 3,100-teu Klaveness containership Bareli (built 2004) have been held in China for more than two weeks following the dramatic grounding 3.2 kilometres (two miles) from the coast of Fuqing in Fujian province. The men are currently helping the local authorities with their investigation into the incident. Torvald Klaveness chief executive Lasse Kristoffersen says the men are in "good spirits" and are in a hotel.

Full Report Available Upon Request

VIETNAM | 30 MARCH | AGENCE FRANCE PRESSE

Vietnam shipping executive jailed for 20 years

A Vietnamese court on Friday jailed the former chairman of a major state-owned shipbuilder for 20 years over a scandal which shook investor confidence in the communist nation. Pham Thanh Binh was convicted of intentionally violating state regulations while heading Vinashin, which almost collapsed with billions of dollars of debts, a judge at the court in the northern city of Haiphong announced.

[Full Report](#)

SINGAPORE | 6 MARCH | STRAITS TIMES

Temasek 'sells stake in Sembcorp Marine'

Investment firm Temasek Holdings is selling up to \$330 million worth of shares in oil rig-maker Sembcorp Marine. According to a Reuters report, Temasek is selling 62.4 million shares or about 3 per cent in the company, which is its direct stake in the Singapore-listed firm. However, Temasek still has an indirect stake in the firm through Sembcorp Industries.

Full Report Available Upon Request

JAPAN | 5 MARCH | NIKKEI REPORT

Japanese shipbuilders find strong yen killing business

The once-lauded Japanese shipbuilding industry has suffered a sharp drop in orders of late, brought on by a strong yen and delays in addressing structural problems, slipping further behind Chinese and South Korean rivals. Japanese shipbuilders could even run out of orders for vessels by 2014. To survive these hard times, Japanese shipbuilders have begun to rethink their strategies, but any feasible solutions have so far been elusive.

Full Report Available Upon Request

REGIONAL | 10 MARCH | STRAITS TIMES

Hard times for logistics firms

Logistics companies are feeling the squeeze, hit on one side by anaemic international trade amid an uncertain global economy, and rising rents and staff costs on the other. Some bosses say their gross profits are now down to a third of what they were recording before the 2008 financial crisis. The industry's struggles have been highlighted by heavy losses reported by two well-known container carrier companies recently. Last month, Singapore-listed Neptune Orient Lines reported losses of US\$478 million (S\$598 million) for last year.

Full Report Available Upon Request

JAPAN | 12 MARCH | PLATTS COMMODITY NEWS

Japan quake a year on: Ports gain from demand for Aframax, small tankers

Japanese ports in the country's northeast that were in tatters in the wake of the March 11, 2011 earthquake and tsunami are fully operational but for a few fishing ports, according to shipping sources, as demand in

certain segments of the tanker market has noticeably burgeoned after the disaster. Ports such as Kashima, Hitachinaka, Hitachi, Onahama, Soma, Sendai, Shiogama, Ishinomaki, Kesenuma, Ofunato, Kamashi, Miyako and Hachinohe which bore the brunt of the tsunami have been repaired and rebuilt, in some cases in record time.

Full Report Available Upon Request

CHINA | 12 MARCH | DOW JONES BUSINESS NEWS

China Ministry: Target Shipbuilding Industry Sales of CNY1.2 Trillion By 2015

China aims to increase annual sales by domestic shipbuilders to CNY1.2 trillion (US\$189.7 billion) by 2015 as it tries to become the world's leading shipbuilding country, the Ministry of Industry and Information Technology said Monday. It also plans to raise the value of China's annual shipbuilding exports to more than US\$80 billion by 2015, the ministry said in a five-year plan for the shipbuilding industry.

[Full Report](#)