



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*:

The Challenge of the Submarine - p.1

By Geoffrey Till



Re-invigorating the ASEAN Maritime Forum - p.2

By Ristian Atriandi Supriyanto



MSP Perspectives:

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MSP Perspectives

THE CHALLENGE OF THE SUBMARINE

By Geoffrey Till

Visiting Professor, Maritime Security Programme

The news that [the South Korean navy has reportedly lost track of a number of the small submarines operated by North Korea](#) has attracted a great deal of attention. Not least within South Korea itself, where the loss of the ROKS *Cheonan* and 46 members of its crew remains a very sensitive issue. But in a broader way, it is a timely reminder of the disruptive and deterrent power of the modern submarine.

Thirty years ago this month, the British Royal Navy which at that time was pre-eminent in the demanding disciplines of anti-submarine warfare re-discovered in the South Atlantic just how difficult it was to counter the threat of small diesel propelled submarines in coastal waters. The complex structure of coastal seas, with their islands, reefs and rocks, diverse water layers and temperatures, kelp fields and extensive marine life make the detection and tracking of small relatively quiet submarines extremely difficult. The Argentine Navy has claimed at least one unsuspected torpedo attack on elements of the British task force - which failed only because of faulty torpedoes. The British for their part expended a great deal of tactical effort in protecting themselves against this threat, and were successful in the destruction of the Argentine submarine *Santa Fe*. Even so, this requirement complicated their major preoccupation with containing the even more significant threat posed by the Argentine Air force while at the same conducting a major amphibious operation to re-take the Falkland islands. The sinking of the Argentine heavy cruiser *General Belgrano* by the nuclear propelled submarine HMS *Conqueror* provides

...the acquisition of submarines by several countries of Southeast Asia can be seen as an ambitious bid by local navies to greatly increase the risk of larger navies operating in the region.

an even starker demonstration of the power of the submarine to set the agenda in conflicts near to shore.

In effect the submarine complicates the task of a stronger naval force and indeed may prove an asymmetric way of influencing conflict outcomes in the narrow seas. Accordingly, the acquisition of submarines by several of the countries of Southeast Asia can be seen as an ambitious bid by local navies to greatly increase the risk for larger navies operating in the region. A great deal of attention has been paid to the alleged 'Anti-Access/ Area Denial' strategy of the Chinese which it is claimed is intended to reduce the

freedom of operation of the US and other navies within what China regards as its 'near seas' (See [RSIS Commentary No. 82/2011](#)). It may well be that China's neighbours are following the same path in their naval development only the target of their efforts may well be different.

If this is indeed the likely line of development in naval policy, we may expect some ratcheting up in the sporadic levels of tension between the various claimants to the South and, indeed the East, China Seas. At the very least it would complicate the planning and operations of the stronger navies of the region, just as it did in 1982. Returning to the Korean example with which we began, the apparent strengthening of the local North Korean submarine threat poses a real dilemma for naval planners in Seoul and may well hamper their broader bluewater aspirations to develop a conventional and confident navy capable of operating far from home in support of a country that would like to see itself as a regional, even a global player.

RE-INVIGORATING THE ASEAN MARITIME FORUM

By Ristian Atriandi Supriyanto
Research Analyst, Maritime Security Programme

Cognisant of the fact that the maritime domain should increase regional connectivity, coupled with a plethora of transnational maritime crimes, ASEAN countries require a special framework to discuss maritime issues of common concern. Hence, the ASEAN Maritime Forum (AMF) was established under the purview of the ASEAN Political-Security (APC) blueprint in 2010. The AMF facilitates exchanges of ideas on maritime security issues, marine environment, illegal fishing, smuggling, and maritime transportation. After the two meetings it has convened thus far, the AMF apparently agreed to move beyond discussions to include more concrete work plan, including to compile a regional maritime policy paper.

However, before the AMF could deliver any concrete plans and outcomes, some ASEAN countries, such as [Indonesia](#) and the [Philippines](#), agreed for it to be expanded and include more East Asian countries. Japan is particularly interested to join, and it already garnered support from the Philippines. While others, such as Cambodia, are still reluctant and prefer to the AMF to be consolidated internally. But, with such complex maritime problems in the region, why is ASEAN somewhat divided on this issue? To what extent is AMF expansion feasible?

To move beyond mere discussions forum, the AMF must indeed be supported by its members, politically and financially. The credibility of the AMF will be in question if it is just a 'talk-shop' institution without any concrete outcomes felt by its members. However, ASEAN also needs to understand that such a Forum must not be diverted into a coalitional grouping bent on undermining any other state. For example, [Japan's proposal to form the "East Asian Maritime Forum"](#) could almost certainly be rejected by ASEAN.

Therefore, as a rule of thumb in all ASEAN initiatives, any agenda in the AMF discussions should avoid political sensitivities.

Nonetheless, the AMF concept itself should indeed be endorsed. Various alternatives are being considered for re-invigorating this Forum without ruffling any feathers. First, the AMF could complement the ASEAN Regional Forum-Inter-Sessional Meeting (ARF-ISM) on Maritime Security that will include non-Southeast Asian countries. The AMF should become the mainstay for ASEAN when dealing with maritime issues. It could also be a platform for ASEAN to adopt a common position before discussing it in the ARF-ISM. Second, AMF discussions should mainly be centred on technical issues, such as navigational safety and port security, rather than the strategic yet more sensitive issues, such as resolution of maritime boundary disputes. To add credibility to its existence, it is

[The AMF] will become yet another challenge for ASEAN to integrate themselves as a maritime community.

crucial therefore for the AMF to draft a work plan, especially in terms of what its tangible outcomes would be. The AMF could, for example, propose the establishment of an ASEAN Maritime Academy to train and develop the skills of Southeast Asian merchant sailors. Third, ASEAN must consider maritime-related initiatives and projects that are not currently within the scope of AMF. The issue of maritime transportation, for example, is also discussed in the ASEAN Transport Ministers' Meeting. It would be more relevant for the AMF to, say, be a single platform for these meetings, with the principal objective being to synergise all ASEAN maritime-related initiatives and projects. Admittedly, this will become yet another challenge for ASEAN to integrate themselves as a maritime community.

Naval Development & Policy

US-PHILIPPINES | 25 APRIL | REUTERS

Philippines, U.S. stage war games in face of China warning

(Reuters) - U.S. and Philippine commandos waded ashore on Wednesday in a mock assault to retake a small island in energy-rich waters disputed with China, part of a drill involving thousands of troops Beijing had said would raise the risk of armed conflict. The exercises, part of annual U.S.-Philippine war games on the southwestern island of Palawan, coincide with another standoff between Chinese and Philippine vessels near Scarborough Shoal in a different part of the South China Sea.

[Full Report](#)

CHINA-PHILIPPINE | 11 APRIL | OTTAWA CITIZEN

Philippine warship in standoff with Chinese vessels

MANILA - The Philippines' biggest warship was locked in a standoff on Wednesday with two Chinese vessels in the South China Sea, reigniting tensions in a decades-long dispute over the resource-rich waters. The Philippine government said the Chinese ships were blocking efforts by its navy flagship vessel to arrest Chinese fishermen that were found on the weekend to have illegally entered its territory.

[Full Report](#)

[See RSIS Commentary](#)

SINGAPORE-OMAN | 10 APRIL | DEFENSE NEWS

Singapore Secures Patrol Vessel Deal With Oman

TAIPEI — ST Marine (Singapore Technologies Marine), an arm of ST Engineering, has confirmed a contract to design and build four patrol vessels (PVs) under Oman's Al Ofouq program. The \$700 million deal, announced on April 9, also has a provision for associated logistics support for the Royal Navy of Oman.

[Full Report](#)

INDIA-US | 9 APRIL | THE HINDU

Indo-U.S. Naval exercise begins

The 2012 edition of the annual Indo-U.S. Naval exercise code-named 'Malabar' being held in the Bay of Bengal began on Saturday at Chennai. The 10-day exercise, which will continue till April 16, will see the participation of the frontline units from both the Navies.

[Full Report](#)

INDIA | 10 APRIL | SUAS NEWS

Indian Navy Establishes Third UAV Squadron In Tamil Nadu For Maritime Operations

In order to step-up surveillance and reconnaissance in the Gulf of Mannar, Palk Strait and Palk Bay, Indian Navy is deploying a third squadron of Unmanned Aerial Vehicle (UAV) in Tamil Nadu. The new UAV squadron 'INAS 344' will be operated from INS Parundu, the naval air station in Uchipuli, Tamil Nadu. The UAV squadron, to be commissioned tomorrow, will heighten the joint defence capability of the three Armed Forces in the region by synergizing their capabilities.

[Full Report](#)

INDIA | 19 APRIL | RUSSIA & INDIA REPORT

INS Vikramaditya air wing to be tested in June

The sea trial of INS Vikramaditya (formerly the Russian aircraft carrier Admiral Gorshkov), which is being modernised in Severodvinsk, is scheduled to start in late May and will include MiG-29K naval fighter landing tests and checks of the aircraft systems. During the first three weeks, specialists will focus primarily on running trials, while the aircraft systems will be tested in June and July.

[Full Report](#)

INDIA | 22 APRIL | DECCAN HERALD

After 23 years, INS Viraat on its last leg

The 28,000 tonne aircraft carrier INS Viraat will be withdrawn from service after 23 years in the water, with a survey to assess the internal condition of the carrier's hull already being commissioned. Results of the review will be examined at a high-level conference next month following which a call be taken on a time-bound withdrawal of the carrier. "How long the hull could service will be checked," a senior Navy officer said.

[Full Report](#)

INDIA, SRI LANKA, MALDIVES | 23 APRIL 2012 | THE INDIAN EXPRESS

India, Lanka, Maldives take part in joint naval exercises

With international piracy extending its tentacles to Indian Ocean, Coast Guards of India, Sri Lanka and Maldives are taking part in a joint exercise off the coast of Male, aimed at achieving inter-operability. Six warships are taking part in the five-day exercises code named 'Dosti XI'. Indian Coast Guard ships 'Sankalp' and 'Subhadra' are participating in the war games, while 'Huravee', 'Ghazee' and 'Shaheed Ali' of the Maldivian National Defence Force represent the Maldivian Coast Guard.

[Full Report](#)

N. – S. KOREA | 5 APRIL | THE MAINICHI DAILY NEWS

3-4 N. Korean subs disappear after leaving east coast bases: newspaper

SEOUL (Kyodo) -- South Korea is tracking three to four North Korean submarines that disappeared after recently leaving two bases on the east coast, a local newspaper reported Thursday, citing a South Korean military source. The source, cited by the Dong-A Ilbo, said the submarines are presumed to be of the 370-ton class that the South Korean military has been unable to locate since they departed from two submarine bases on the east coast.

[Full Report](#)

N. – S. KOREA | 6 APRIL | ABC NEWS

S Korea hunts for North's missing subs

South Korea is reportedly searching for four North Korean submarines that disappeared after leaving their bases on the tense peninsula. A military source quoted in a South Korean newspaper says up to four North Korean submarines slipped out of port in recent days and have so far avoided detection.

[Full Report](#)

RUSSIA-JAPAN | 11 APRIL | JANE'S

Russia stepping up air surveillance around Japan

The Russian Pacific Fleet has been increasing its air surveillance missions over the Sea of Japan and in the Western Pacific where Japan and the United States have deployed Aegis-equipped destroyers ahead of North Korea's planned satellite launch. Russian Ilyushin Il-38 ('May') aircraft flew over the Sea of Japan on 22 March, 29 March and 6 April, while two Tupolev Tu-142s appeared over the Pacific side of the Japanese archipelago on 27 March, according to the Joint Staff Office of Japan's Ministry of Defence (MoD).

[Full Report](#)

CHINA-RUSSIA | 21 APRIL | THE VANCOUVER SUN

China and Russia hold first navy exercises

BEIJING — China and Russia on Sunday launched their first joint naval exercises amid tensions between China and its Asian neighbours over regional territorial claims. The six days of drills are taking place in the Yellow Sea off China's east coast, the official China News Service said, adding these were the first dedicated exercises involving the two navies.

[Full Report](#)

CHINA-RUSSIA | 26 APRIL | RIA NOVOSTI

Russia, China Complete Naval Drills

Russia and China have completed a naval exercise in the Yellow Sea, off the coast of Qingdao in eastern China, a Russian Navy commander said on Thursday. "Russian and Chinese warships have completely fulfilled the concept of the exercise in an efficient manner," Rear Admiral Leonid Sukhanov, deputy chief of the Navy Main Staff, said.

[Full Report](#)

CHINA | 23 APRIL | REUTERS

China policy battles boost South China Sea strains-ICG

(Reuters) - Jockeying by Chinese agencies over policy fiefdoms and budgets threatens to intensify tensions with China's neighbours over the disputed South China Sea, a respected think tank said on Monday, with China's military also warning of regional confrontation. Weak coordination among the various Chinese government bodies responsible for South China Sea policy has also complicated China's attempt at a peaceful rise, the International Crisis Group (ICG) said in a report.

[Full Report](#)

US-TAIWAN | 22 APRIL | BANGKOK POST

Taiwan plans to buy 'four warships from US'

Taiwan plans to purchase four warships from the United States as part of the island's efforts to modernise its forces and offset the perceived military threat from China, local media reported on Sunday. The defence ministry briefed President Ma Ying-jeou on the proposed arms deal during a meeting last month and is prepared to set aside the budget next year, the United Daily News said, without specifying the cost. The ministry declined to comment on the report.

[Full Report](#)

US-ASIA | 17 APRIL | THE WASHINGTON TIMES

Navy to send floating hospital to Asia

The Navy next month will send one of its two medical ships on a goodwill mission to Southeast Asia. Sponsored by U.S. Pacific Fleet, the USNS Mercy will be joined by a Japanese landing ship tank carrying a complete medical team, helicopters and Japanese humanitarian volunteers during stops in the Philippines and Vietnam.

[Full Report](#)

THAILAND | 17 APRIL | BANGKOK POST

New vessel joins fleet

The Royal Thai Navy will today add a new vessel to its fleet. Built at a cost of 4.94 billion baht in Singapore, HTMS Ang Thong is intended to serve as a support vessel for the navy's aircraft carrier, HTMS Chakri Naruebet which has been in service for about 15 years. HTMS Ang Thong, a landing platform dock ship built by Singapore Technologies Marine Ltd, is expected to arrive in Sattahip district of Chon Buri today.

[Full Report](#)

Owner of Islands Claimed by China to Talk Price With Tokyo

Three uninhabited Islands at the center of a territorial rift between Japan and China are on the market. The seller: a 69-year-old property investor from the suburbs of Tokyo who may get up to \$500 million for the property. Kunioki Kurihara began talks with Tokyo Governor Shintaro Ishihara in December to sell his holdings in the Senkaku Islands to the Japanese capital, said Toshio Matsumura, a manager at Hishiya Kaikan Co., a real estate firm operated by Kurihara.

[Full Report](#)

U.S. comes to agreement with Japan to move 9,000 Marines off Okinawa

The U.S. and Japanese governments said Thursday that they will move about 9,000 Marines off Okinawa to other bases in the Western Pacific, in a bid to remove a persistent irritant in the relationship between the two allies. The Marine Corps Air Station Futenma on Okinawa has been seen by both sides as essential to deterring Chinese military aggression in the region. But the noisy air base's location in a crowded urban area has long angered Okinawa residents, and some viewed the Marines as rowdy and potentially violent.

[Full Report](#)



Maritime Safety and Security

SOMALIA | 12 APRIL | REUTERS

Analyst says Somali pirates have new weapons from Libya

(Reuters) - Somali pirates have acquired sophisticated weaponry, including mines and shoulder-held missile launchers from Libya, and are likely to use them in bolder attacks on shipping, a senior maritime security analyst said on Thursday. "We found that Libyan weapons are being sold in what is the world's biggest black market for illegal gun smugglers, and Somali pirates are among those buying from sellers in Sierra Leone, Liberia and other countries," said Judith van der Merwe, of the Algiers-based African Centre for the Study and Research on Terrorism.

[Full Report](#)

GULF OF ADEN | 9 APRIL | NEWS24

Somali pirates take ship, hold 22 crew

New Delhi - Somali pirates have hijacked a Dubai-owned vessel and taken 22 crew members including 17 Indian nationals hostage, media reports said on Monday. The MV Royal Grace, a chemical tanker, which was bound for Nigeria was seized off Oman on March 2, broadcaster *CNN-IBN* reported. The news of the hijack emerged on Monday, as the shipowners had not given any information to the families of the crew, the report said.

[Full Report](#)

SOMALIA | 17 APRIL | THE MARITIME EXECUTIVE

Spanish Warship Rescues Innocent Somali Crew Held Hostage by Pirates

On Saturday, April 14, Spanish warship ESPS Reina Sofia, who is now operating as part of the EU's counter-piracy mission, Operation Atalanta, stopped a Yemeni dhow that was suspected of carrying armed Somali pirates. The French Air Force Awacs E3F, FS Dixmude and her helicopters, as well as an Australian Maritime Patrol and Reconnaissance Aircraft (MPRA)

contributed to this operation. As a result they were able to successfully release 4 innocent Somali crewmen who were being held as hostages onboard.

[Full Report](#)

SOMALIA | 12 APRIL | NATIONAL POST

Somali pirates release Panama-flagged ship after two months

HARGEISA — Somali pirates have released a Panama-flagged vessel they seized two months ago allowing it to continue on its way to the breakaway enclave of Somaliland, the ship's agent and a government official said on Thursday. Pirates hijacked the MV Leila in February near Oman, seizing the ship with its cargo of goods and cars, and then sailing it to the semi-autonomous region of Puntland in Somalia.

[Full Report](#)

Piracy: Foreign units may enter SA seas

Cape Town - Foreign security services could be allowed into South Africa to protect merchant vessels against piracy, Defence Minister Lindiwe Sisulu said on Wednesday. "This has been raised with us by a number of European countries. We are grappling with this development," she said after opening the Indian Ocean Naval Symposium in Cape Town.

[Full Report](#)

South African Navy helps catch pirates

The South African Navy replenishment ship SAS Drakensberg has helped catch seven Somali pirates in the Mozambique Channel, in the Navy's first hands-on capture of pirates since it began patrolling the waters off the East coast as part of Operation Copper. According to the South Africa Navy (SAN), the capture of the pirates started off with an unsuccessful pirate attack on a Filipino merchant vessel last Friday at the Northern end of the Mozambican Channel.

[Full Report](#)

Danish navy frees hostages from pirates off Somalia

(Reuters) - The Danish navy captured 16 Somali pirates and freed 12 captives when it intercepted a "mothership" vessel off the Horn of Africa, it said on Thursday. The Danish warship Absalon, serving in NATO's counter-piracy mission Ocean Shield, stopped the vessel off the east coast of Somalia on Wednesday, boarded it without resistance, arrested the suspected Somali pirates and found the hostages.

[Full Report](#)

Finally, India set to get a law to counter piracy

NEW DELHI: Pirates arrested by the Navy or the Coast Guard on the high seas or in India's exclusive economic zone (EEZ), which stretches to 200 nautical miles from the coast, could face even the death penalty according to the Piracy Bill introduced in Parliament on Tuesday. Whoever commits an act of piracy "shall be punished with imprisonment for life" that may extend to the death sentence if the incident has caused someone's death. Any attempt to commit, aid or abet piracy will attract imprisonment of up to 14 years and a fine.

[Full Report](#)

Somali Pirates Release Tanker With Indian Crew

Seven Indian sailors, held captive by Somali pirates for nearly four months, were freed Monday following intense diplomatic negotiations. The Indian men were among 18 crew members aboard the Italian-flag Enrico levoli, a chemical tanker captured by pirates Dec. 27, 2011, off the coast of Oman. "The vessel is presently proceeding toward a safe port where the crew would disembark and be repatriated to their respective countries," the Indian Shipping Ministry said.

[Full Report](#)

Navy intercepts another asylum boat

THE lack of a "genuine deterrent" to asylum seekers undertaking dangerous journeys to Australia has resulted in the Navy intercepting yet another boat, according to the Gillard Government. Minister for Home Affairs Jason Clare said ACV Triton intercepted a boat carrying 55 asylum seekers and two crew south-south-west of Browse Island earlier today.

[Full Report](#)

INDONESIA | 5 APRIL | THE JAKARTA POST

61 foreign fish poachers detained in Sumatra

Sixty-one fishermen from Thailand and Myanmar have been arrested for illegal fishing off Aceh this year, according to the Maritime Affairs and Fisheries Ministry. The figure apparently represented a dramatic increase over the 65 foreign fishermen detained for fishing in Indonesian waters in 2011, all of whom were from Malaysia.

[Full Report](#)

MALAYSIA-VIETNAM | 6 APRIL | BERNAMA DAILY

28 Fishermen Detained for "Pair Trawling"

KEMAMAN, April 6 (Bernama) -- The Malaysian Maritime Enforcement Agency (MMEA) detained two boats with 28 Vietnamese crewmen for employing an illegal fishing method about 35 nautical miles northeast of Pulau Tenggol off the coast of Terengganu last night. Terengganu MMEA enforcement chief Maritime Capt Adam Aziz said the two boats were found to have used the "pair trawling" method -- where two boats tow a single net to cover a wider strip of ocean -- which is not allowed in Malaysia.

[Full Report](#)

CHINA-VIETNAM | 20 APRIL | AGENCE-FRANCE PRESSE

China releases Vietnamese after maritime row

BEIJING — Chinese authorities have released 21 Vietnamese fishermen who were detained seven weeks ago near disputed islands in the South China Sea, drawing strong protests from Hanoi. The incident was the latest in a string of diplomatic rows between the two nations over territorial issues and the releases came as Beijing is locked in a stand-off with the Philippines in another disputed area of the South China Sea.

[Full Report](#)

CHINA-PALAU | 2 APRIL | ZEENEWS

Chinese fisherman killed in Palau shooting

Koror: Palau police shot dead a Chinese fisherman and three men in a police spotter plane were feared killed in a dramatic confrontation off the Pacific island, officials said on Monday. The fisherman died in a hail of bullets designed to stop a Chinese vessel fishing illegally in Palau waters, according to charges filed by assistant attorney general Timothy McGillicuddy.

[Full Report](#)

CHINA-PALAU | 5 APRIL | XINHUA

Palau urged to address Chinese fisherman death

BEIJING, April 5 (Xinhua) -- China urges Palau to address the death of a Chinese fisherman impartially and appropriately, said Chinese Foreign Ministry Spokesman Hong Lei on Thursday. Hong made the remarks at a regular press briefing, commenting on the incident in which a Chinese fisherman was shot dead by mistake, and an additional 25 crew were detained on March 31. Palau police had been chasing the Chinese fishing boat, which had been suspected of illegal fishing.

[Full Report](#)

CHINA-PHILIPPINES | 14 APRIL | REUTERS

Standoff near Philippines over; Chinese boats keep catch

(Reuters) - Chinese fishing boats left a disputed area of the South China Sea with their catches on Saturday, ending a six-day standoff but dealing a blow to Philippine efforts to assert sovereignty over the area and protect marine resources. The Philippines had wanted the Chinese fishermen to hand over their hauls of giant clams, corals and live sharks harvested near the disputed Scarborough Shoal, in return for safe passage out of the area.

[Full Report](#)

Nations agree on tackling illegal fishing

China and South Korea have agreed to take tough measures against illegal fishing and maritime violence against a background of increasing disputes over the past year, according to the two countries' fisheries management bodies. The two neighbors agreed on a detained boat's payment of bail and discretionary punishments to those fishermen who cooperate with boarding inspections by police, China Fisheries Law Enforcement Command said on Monday.

[Full Report](#)

Scarborough standoff highlights tensions in the South China Sea

DIPLOMATIC PROTESTS were exchanged yesterday by Manila and China over territorial incursion allegations that highlighted rising tensions in the South China Sea. Philippine Navy officials said eight Chinese fishing vessels had been found at Scarborough Shoal -- called Panatag by Manila and Huangyan by Beijing -- that is located 124 nautical miles off the coast of Zambales province.

[Full Report](#)

[See RSIS Commentary](#)

Shipping, Ports, and the Maritime Economy

INDONESIA | 13 APRIL | THE JAKARTA POST

Seaport inefficiencies blamed for pricey logistics

Inefficient seaport services under the authority of state-owned port operator PT Pelabuhan Indonesia (Pelindo) IV have been blamed for the high cost of logistics in the eastern Indonesia regions. "Ships, for example, moor too long at the port. This has to be addressed. The week-long moorings should be changed to three days, and three-day moorings to one day," State-Owned Enterprises Minister Dahlan Iskan said on Wednesday.

[Full Report](#)

SINGAPORE | 2 APRIL | THE EDGE SINGAPORE

Cosco in a Corner

The Chinese shipyard operator that once looked ready to dominate the offshore and marine sector is struggling even as a sector-wide recovery lifts the fortunes of its more-established peers such as Keppel Corp and Sembcorp Marine. Here's why investors should worry. Just five short years ago, Cosco Corp looked like it could do no wrong. Its stock, which had been on a steep upward trajectory for more than a year, hit a peak of \$7.57, putting the company's market value at \$17 billion, making it larger than even Sembcorp Marine.

Full Report Available Upon Request

TAIWAN | 9 APRIL | TAIPEI TIMES

Agreement to help cruise industry

Taiwan could become a new star in the cruise tour market once restrictions on foreign ships traveling across the Taiwan Strait are eased later this year, an

operator said yesterday. The removal of such restrictions will allow cruise operators to obtain permission for several trips with each application, which will encourage more ships to stop in Taiwan, said Royal Caribbean Cruises, a major cruise ship company based in the US.

[Full Report](#)

VIETNAM | 18 APRIL | AGENCE FRANCE PRESSE

Vietnam shipping executives appeal jail terms

Eight former top executives at Vietnam's state-owned shipbuilder have appealed against lengthy prison sentences handed to them over their role in its near-collapse, official media said Wednesday. Chairman Pham Thanh Binh, 58, was jailed for 20 years late last month for intentionally violating state regulations at Vinashin, which racked up billions of dollars of debts, shaking investor confidence in the communist country. Eight other former top executives at the company, formally known as the Vietnam Shipbuilding Industry Group, were given sentences of between three and 19 years after a four-day trial in the northern port city of Haiphong.

[Full Report](#)

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JAPAN | 5 APRIL | THE MAINICHI DAILY NEWS

Do or Die in Japan

Japan's shipbuilders will turn into shipowners under a new collective-financing scheme that aims to drum up \$1.2bn-worth of fresh orders. The move will likely be viewed as a sign of desperation from the country's yards, which are less cost-competitive than their South Korean and Chinese rivals and have been hit hardest by the collapse in contracting. As earlier reported in TradeWinds, similar schemes are emerging in China, where the orders drought has forced yards to contract ships on their own accounts and search for charter deals.

Full Report Available Upon Request

CHINA | 19 APRIL | SOUTH CHINA MORNING POST

China's insurers see chance in trade shunned by West

Mainland insurers could take a bigger role in covering supertankers carrying crude oil from Iran to China when the European Union introduces tougher sanctions on Iranian oil shipments from July 1. But the stringent European controls could see a raft of other consequences including a surge in tanker charter rates and a slump in Iranian oil prices, experts said. The sanctions, which are being introduced to pressure Iran to curb its nuclear programme, will prevent Western marine mutual organisations insuring vessels chartered to carry Iranian crude and petrochemical products from July 1.

Full Report Available Upon Request

IRAN/CHINA/REGIONAL | 25 APRIL | OIL AND GAS NEWS

Iran plans to expand oil tanker fleet ahead of sanctions

Iran's oil shipping operator NITC is expanding its oil tanker fleet with the first of 12 supertankers to be delivered from China in May, fortuitous timing for the Opec member as Western sanctions force Tehran to rely more on its ships to export oil. The new tankers,

each capable of carrying two million barrels of crude, add much-needed capacity to NITC's fleet at a time when the number of maritime firms willing to transport Iranian crude has dwindled significantly amid European sanctions.

Full Report Available Upon Request

MYANMAR | 27 APRIL | TRADEWINDS

Shipping presence limited in a country crippled by poverty and lack of investment

Myanmar today is arguably one of the poorest countries in Asia, if not the world. Starved of foreign investment and meaningful economic and resource development for decades, the country's ranking in the United Nations Human Development Index is near the bottom, at 149 out of 187 countries. The shipping industry's presence and activities in Myanmar are very limited. The country's ports are small and underdeveloped. At best they are capable of handling handysize bulkers and feeder containerships. The equipment used to service these vessels is antiquated so turnaround times are slow.

Full Report Available Upon Request

AUSTRALIA | 24 APRIL | ABC NEWS

New \$1.2bn port to create thousands of jobs

The Victorian Government has unveiled a plan to build a new \$1.2 billion port at Webb Dock at the top of Port Phillip Bay. More than 2,500 jobs will be created to support the major project, which will be funded by the Port of Melbourne and the private sector. Ports Minister Denis Napthine says it will secure Melbourne as the freight and logistics capital of Australia.

[Full Report](#)

SINGAPORE | 28 APRIL 2012 | BUSINESS TIMES

Container port of the future making waves

A Singapore competition seeking "revolutionary" ideas for a future container port is anything but a locals-only affair - even as it is concerned with very Singaporean issues like land scarcity, a shrinking labour pool and keeping ahead of other Asian ports. Indeed, the Next Generation Container Port Challenge (NGCPC) has kept the barriers to entry low even as the stakes are high - a cool US\$1 million in top prize money.

Full Report Available Upon Request

VIETNAM | 26 APRIL | VIETNAM NEWS SERVICE

Vietnam Transport Ministry OKs \$10.7B Development Plan by 2020

Vietnam's Ministry of Transport has approved its industrialization and modernization plan with a total investment of VND223.79 trillion (\$10.7 billion) from now to 2020, the Thoi Bao Kinh Te Saigon newspaper reported. Under the plan, the ministry will use VND100 trillion to raise ship fleet for Vietnam National Shipping Lines' (Vinalines) with VND30 trillion for buying 67 ships by 2015 and VND70 trillion for 95 others in 2016-2020.

Full Report Available Upon Request

INDONESIA | 23 APRIL | THE JOURNAL OF COMMERCE

Indonesia Container Terminal Project Gets Green Light

A presidential decree has cleared the way for the construction of new container terminals at the Port of Tanjung Priok, Indonesia. The long-delayed New Priok development at Kalibaru near the Indonesian capital of Jakarta will be built by state-owned Indonesia Port Corporation II and will triple container capacity at Tanjung Priok by 2023.

[Full Report](#)

SOUTH KOREA | 30 APRIL | MAELI BUSINESS NEWSPAPER

S. Korea's shipbuilding sales, supply contracts fall on downturn

South Korean shipbuilders listed on the Korean stock exchange saw declining sales and supply contracts as of April this year, as the total sales and contract value made a 1.4 trillion won (\$1.24 billion) drop compared to the same period last year. The sales and supply contracts of Korean shipbuilders from January 2 to April 24 added up to 10.27 trillion won, which is an 11.84 percent (1.38 trillion won) fall on-year, disclosed the Korea Exchange (KRX) Monday.

[Full Report](#)

AUSTRALIA /CHINA | 30 APRIL | WALL STREET JOURNAL

Australian Billionaire To Build Titanic II At Chinese Yard

An Australian billionaire with aspirations to enter federal politics has plans to launch Titanic II, a luxury ship that will be built to the same dimensions as the ill-fated passenger liner that sank 100 years ago. Clive Palmer has established shipping company Blue Star Line Pty. Ltd. and has commissioned China's state-owned CSC Jinling Shipyard to build the ship, the businessman said in an emailed statement Monday.

[Full Report](#)

HONG KONG | 23 APRIL | SOUTH CHINA MORNING POST

Shipowners on verge of a buying frenzy, insiders say

Hong Kong shipowners could be poised to invest heavily in new fuel-efficient ships at rock-bottom prices, despite ongoing concerns about overcapacity and uncertain cargo growth, according to industry insiders. "By the second half of this year you will see Hong Kong owners seriously looking at acquiring tonnage," said Kenneth Koo Chee-kong, head of tanker and dry cargo operator Tai Chong Cheang Steamship. The comments were echoed by shipping brokers and

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lawyers who said there was evidence of renewed interest being shown by Hong Kong owners in replenishing their fleets.

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