



**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*:

**America Pivots to Littoral
Southeast Asia - p.1**

By Ristian Atriandi Supriyanto



**In Between Standoffs: What
Could the Philippines do? - p.2**

By Lim Chee Kia



MSP Perspectives:

America Pivots to Littoral
Southeast Asia – p. 1

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MSP Perspectives

AMERICA PIVOTS TO LITTORAL SOUTHEAST ASIA

By Ristian Atriandi Supriyanto
Research Analyst

The American pivot to Asia comes with a maritime focus. [The announcement](#) by then U.S. Secretary of Defense, Robert Gates, in June 2011 was to deploy the U.S. Navy's (USN) newest warship, [the Littoral Combat Ship \(LCS\)](#) to Singapore. While Singapore is not the only place for LCS deployment (the others being Bahrain and Japan), it still signifies the prime importance accorded to Southeast Asia in the American geopolitical calculus. It conveys a specific political message of U.S. firm commitment to support Southeast Asian allies and partners, who are increasingly wary over Beijing's growing maritime and military assertiveness. But to what extent does the region share this view?

The LCS is designed for naval combat operations close to shore and specifically tailored to operate in anti-access and area denial environment mainly characterised by asymmetric capabilities, such as naval mines, fast attack craft, and diesel submarines. Singapore might host up to four LCS, though they would be deployed on a rotational basis and without any basing arrangements. [The plan](#) will commence gradually, with one or two ships in the first batch of 10-month deployment starting next year.

For any naval planners, Singapore represents an ideal springboard for maritime power projection. In the nineteenth and early twentieth century, for example, British First Sea Lord, Admiral John Fisher, defined Singapore as among the "Five keys [to] lock up the world" to emphasise its importance for Royal Navy power projection. And now, from a strategic lens, the LCS deployment symbolically reflects Washington's pivot to the Asia-Pacific.

Located at the heart of maritime Asia and crossed by the world's busiest shipping lanes, Singapore presents a compelling geostrategic rationale. It gives the U.S. a central position along the Indo-Pacific rim, the so-called "geographical pivot" of

the twenty-first century, defined mostly by interaction between the major powers. From an operational viewpoint, Singapore already provides facilities, the Command Logistics Group in Western Pacific (COMLOG WESTPAC), to support the LCS. The relatively small core crew members (about 40 sailors) required to man the LCS is also a gesture to Singapore's concern with regional sensitivities and limited land space, which ruled out a heavy presence of American military personnel.

The LCS deployment is a perfect example of navies being used as an instrument of foreign policy, also known as "naval diplomacy." It has a symbolic meaning of U.S. commitment to support its Southeast Asian allies and partners in addressing regional maritime security challenges. While some might argue that that the symbolic meaning of LCS deployment is still comparably lower than aircraft carriers or nuclear submarines, the political message it conveys is difficult to overstate. A brand new warship, tailored to counter specific threats, and deployed close to a regional flashpoint, is a loud and clear message. For US regional allies and partners, the deployment is certainly welcome.

The wide-spectrum of threats in littoral Southeast Asia, ranging from transnational crime to proliferation of anti-access capabilities would put the LCS in the right habitat, such as the South China Sea, where manoeuvring of conventional surface combatants, like frigates and destroyers, is obviously more challenging due its often shallow and partially uncharted depth. At the same time, to allay concerns in the region that the US is engaged in "gunboat diplomacy," the US should forge closer partnerships with regional navies and assist in improving their respective capacities.

For the longer version of this article, please see [RSIS Commentary No. 086/2012](#)

The wide-spectrum of threats in littoral Southeast Asia...would put the [Littoral Combat Ships] in the right habitat.

In Between Standoffs: What Could the Philippines do?

By Lim Chee Kia
Associate Research Fellow

The Scarborough Shoal standoff between China and Philippines in [April-May 2012](#) was the latest in a series of incidents caused by a dispute over sovereignty of the Spratly Islands in the South China Sea between China and four of its Southeast Asian neighbours. This is not the first time China has had a standoff with its neighbours over sovereignty disputes and most certainly will not be the last. Like many previous standoffs in South China Sea, both parties showed self-restraint to prevent a reoccurrence of skirmishes such as the one between China and Vietnam in 1988, but the possibility of a miscalculation remains and none of the parties has ruled out the use of military force.

If it ever comes to the point of a military confrontation, the Philippines is seriously outgunned by its colossus neighbour. Despite its geographical proximity to Scarborough Shoal, Philippines's absence of any fast-jet air force deprives it of crucial surface strike capability. Unlike the other claimant Vietnam, Philippines does not possess submarines, a platform typically associated to be an effective asymmetric deterrent against a much stronger foe. It has purchased a number of surface vessels such as the [Hamilton Class Cutter](#), but as demonstrated in the recent standoff, their capabilities are limited against even the paramilitary forces of China. Furthermore, in the context of the South China Sea dispute, deployment of surface vessels can be very provocative and may increase the chance of an accidental conflict.

Without a credible deterrent force, the Philippines is in the disadvantage when engaging in bi-lateral negotiation with China on the dispute. Its mutual

defence treaty with the United States is also not a credible deterrent, as the latter has not publicly clarified if the treaty is applicable if one of Philippines' vessels is to have a mishap in the disputed area.

In view of its disadvantages in bi-lateral negotiation, the Philippines may try to seek assistance from its fellow ASEAN members, but it will be disappointed if it was looking for an alliance against China. ASEAN and its prospective Code of Conduct with China in the South China Sea, is more effective at conflict prevention than dispute resolution, a point underscored by US Secretary of Defense, Leon Panetta,

in his recent Shangri-la Dialogues address. ASEAN's lukewarm reaction to Philippines' earlier proposal for a Zone of Peace also showed that there is a limit to what the regional organisation can and will do for its members involved in such disputes. The non-claimants states in ASEAN will not

benefit much by offering direct assistance to Philippines but will incur the wrath of a major trading partner.

Under such circumstances, it would be best for the Philippines to actively seek international arbitration. While [China has indicated that it is not bound by compulsory dispute resolution in regard to maritime territorial disputes](#), maintaining the position of seeking international arbitration will give Philippines a moral high ground. It will help Philippines to gain sympathy and friends. Most importantly, it will provide Philippines with leverage over China during negotiation in spite of Philippines relative weak military and economic strength.

In the [Scarborough Shoal dispute], it would be best for the Philippines to actively seek international arbitration.

Naval Development & Policy

US-SINGAPORE | 10 MAY | REUTERS

U.S. plans 10-month warship deployment to Singapore

(Reuters) - The first of a new class of U.S. coastal warships will be sent to Singapore next spring for a roughly 10-month deployment, the Navy said on Wednesday, spotlighting a move that may stir China's fears of U.S. involvement in South China Sea disputes. Deployment of the shallow-draft ship "Freedom" will help refine crew rotations, logistics and maintenance processes to maximize the class's value to U.S. combat commanders, Rear Admiral Thomas Rowden, the Navy's director of surface warfare, told reporters.

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

US-PHILIPPINES | 3 MAY | REUTERS

U.S. triples military aid to Philippines in 2012

(Reuters) - The United States will nearly triple its military funding for the Philippines this year, the Philippine foreign ministry said on Thursday, as tensions rise with China over disputed islands and Washington bolsters its alliance with Manila. However, the Philippines expressed concern over what it said was a sharp decline in its share of U.S. foreign military financing (FMF) despite Manila's central role in the U.S.'s military "pivot" back to Asia.

[Full Report](#)

US-PHILIPPINES | 2 MAY | DEFENSE NEWS

Philippines Ask U.S. for Radars, Patrol Boats and Aircraft

WASHINGTON — The Philippines said May 2 that it has asked the United States to supply its armed forces with patrol boats and aircraft as well as radar systems amid an escalating territorial dispute with China. Philippine Foreign Secretary Albert del Rosario said the hardware would help his country achieve a "minimum credible defense," a phrase he used in unprecedented talks

with senior U.S. officials in Washington earlier this week.

[Full Report](#)

CHINA-JAPAN | 3 MAY | IHS JANE'S

Chinese navy vessels spotted close to Japanese coast

A Japan Maritime Self-Defence Force (JMSDF) patrol aircraft spotted three Chinese warships on 29 April as they made a rare crossing through the Osumi strait off Kagoshima prefecture towards the Pacific Ocean, Japanese officials have confirmed. The Type 054A missile frigates *Zhoushan* and *Xuzhou* and the electronic reconnaissance and missile tracking ship *Beijixing* were seen 430 km west of the island of Yakushima in Kagoshima prefecture, the JMSDF said.

[Full Report](#)

TAIWAN | 3 MAY | TAIPEI TIMES

Strengthen Taiping defense: lawmakers

Legislators yesterday called for a stronger military presence on Taiping Island (太平島) in the South China Sea following allegations that a Vietnamese military

boat opened fire on Taiwanese coast guards stationed on the disputed island in March. The legislature's Foreign Affairs and National Defense Committee invited ministries to report on the current situation in the South China Sea amid growing tensions between Taiwan, China, Vietnam and the Philippines over sovereignty issues.

[Full Report](#)

N. – S. KOREA | 4 MAY | YONHAP NEWS AGENCY

122 ships affected by suspected N. Korean GPS jamming

INCHEON, May 4 (Yonhap) -- More than 120 ships, including Coast Guard vessels and a passenger boat, have reported malfunctions in their navigation systems since the apparent jamming of satellite signals by North Korea last week, maritime police said Friday. According to the Coast Guard in Incheon, west of Seoul, a total of 122 ships were affected by the disruption to Global Positioning System (GPS) signals last Saturday. Among the vessels were eight patrol boats belonging to the Coast Guard, a passenger liner carrying 387 people and a petrol products carrier.

[Full Report](#)

TAIWAN | 14 MAY | CHANNELNEWSASIA

Taiwan deploying more 'carrier killers': report

TAIPEI - Taiwan is arming more of its fleet with its new "carrier killer" anti-ship missiles as China conducts further sea trials of its first aircraft carrier, local media said Monday. Five of the Taiwanese navy's eight Perry-class frigates have been armed with the supersonic Hsiung Feng (Brave Wind) III weapons, the Taipei-based China Times said.

[Full Report](#)

TAIWAN | 15 MAY | DEFENSE NEWS

Taiwan to Build 'Stealth' Warship Fleet

TAIPEI, Taiwan — Taiwan is to build 12 new "stealth" warships in reaction to China's naval build-up, the island's navy announced May 15. Navy Capt. Chu Hsu-

ming told reporters Lung Teh Shipbuilding Co, a private firm, has been awarded a Tw\$890 million (\$30.1 million) contract for the construction of the first 500-ton corvette with delivery slated for 2014.

[Full Report](#)

CHINA-PHILIPPINES | 14 MAY | CHANNELNEWSASIA

Philippines, China impose fishing bans in disputed sea

MANILA: The Philippines and China will both impose fishing bans in the South China Sea where the two countries have been involved in a tense territorial standoff. China had already announced its annual ban, which it says is aimed at curbing over-fishing, and includes the waters around the disputed Scarborough Shoal.

[Full Report](#)

NEW ZEALAND | 14 MAY | TVNZ

Royal New Zealand Navy to drop half its patrol vessels

The navy has confirmed it will have to stop using up to half of its inshore patrol vessels, as border security becomes a major concern. The navy's four inshore patrol vessels, which help the Department of Conservation, fisheries, customs, and police maintain border security, have only been in New Zealand waters since 2009. But now the navy has revealed to *ONE News* that one if not two of the ships will soon be out of action because the service no longer has enough people to run them all.

[Full Report](#)

CHINA-THAILAND | 11 MAY | CHINA DAILY

China, Thailand begin joint military training

ZHANJIANG - Marine forces of China and Thailand started joint military training here in Zhanjiang in south China's Guangdong province on Friday. China and Thailand respectively sent teams of 372 members and 126 members to participate in the training, codenamed Blue Commando-2012. The training,

focusing on anti-terrorism, consists of field survival training and other drills, as well as seminars.

[Full Report](#)

[Full Report](#)

CHINA-US | 7 MAY | DEFENSE NEWS

China's Defense Chief Visits Pentagon Amid Diplomatic Row

WASHINGTON — The Pentagon hosted China's Defense Minister Liang Guanglie on May 7 in a bid to boost military ties as the United States tried to contain the fallout from a diplomatic dispute over a top Chinese dissident. Liang's discussions with his U.S. counterpart, Leon Panetta, were expected to focus on the growing military rivalry between the two countries, while American officials planned to steer clear of the case of blind rights campaigner Chen Guangcheng.

[Full Report](#)

AUSTRALIA | 9 MAY | THE SYDNEY MORNING HERALD

Biggest hit strips \$5.5 billion from Australian military's spending

FIVE-AND-A-HALF billion dollars will be ripped from Defence over the next four years by stalling a series of multibillion-dollar projects and slashing its civilian workforce. In what was the single-biggest cut in the budget, Defence will be forced to reduce its non-military workforce by 1000 over the next two years, as well as delay or cut about \$3 billion in big-ticket hardware acquisitions and \$1.2 billion in capital works.

[Full Report](#)

AUSTRALIA-CHINA | 21 MAY | DEFENCE TALK

Australian Navy Joins China for Maritime Exercise

Today, the ANZAC-class Guided Missile Frigate, HMAS *Ballarat*, will begin a five-day ship visit to Shanghai, China. *Ballarat* will be docked at the northern end of Shanghai's historic Bund from 17-21 May. The visit will involve cultural exchanges and visits to significant icons in Shanghai.

CHINA-TAIWAN | 21 MAY | AGENCE FRANCE-PRESSE

China to Build 2 More Aircraft Carriers: Taiwan

TAIPEI — Taiwan's intelligence chief said May 21 that China plans to build two aircraft carriers, in addition to the first in its fleet, a refitted former Soviet carrier currently undergoing sea trials. "Indeed the Chinese communists have decided to build two aircraft carriers on their own," Tsai Teh-sheng, head of the island's National Security Bureau, told parliament.

[Full Report](#)

CHINA-JAPAN | 17 MAY | THE MAINICHI

Japan, China agree to use maritime talks as platform for managing conflicts

BEIJING (Kyodo) -- Japan and China ended their first session of maritime affairs talks on Wednesday and agreed to use dialogue as a "platform" for enhancing communications on maritime issues, managing conflicts and properly handling relevant issues, Xinhua News Agency reported. In a two-day intergovernmental meeting in Hangzhou, Zhejiang Province, China explained its stance on the Japan-controlled Senkaku Islands in the East China Sea, China's Foreign Ministry said in a press release, according to Xinhua.

[Full Report](#)

[See RSIS Commentary](#)

CHINA-PHILIPPINES | 29 MAY | THE PHILIPPINE DAILY INQUIRER

Philippines, China 'to show restraint' over shoal

(PHNOM PENH — China and the Philippines have agreed to show restraint in their tense standoff over a disputed shoal in the South China Sea, Manila's defense chief said Tuesday. Defense Secretary Voltaire Gazmin said he had held a brief meeting with his Chinese counterpart in the Cambodian capital on Monday during which both sides agreed to tone down the rhetoric and find "a peaceful resolution" to the spat.

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

JAPAN – N. KOREA | 30 MAY | THE MAINICHI DAILY

Japanese Defense Ministry plans to deploy destroyers closer to N. Korea

TOKYO (Kyodo) -- The Japanese Defense Ministry plans to deploy destroyers closer to North Korea to improve its ability to detect a North Korean rocket launch, sources close to the matter said Wednesday. The move comes after the ministry failed to obtain information in a timely fashion on the North's rocket launch in April. The plan also calls for Maritime Self-Defense Force destroyers equipped with the Aegis air defense system to use information from U.S. early-warning satellites and enhance cooperation with U.S. Aegis-equipped frigates, the sources said.

[Full Report](#)

Maritime Safety and Security



CHINA-JAPAN | 16 MAY | XINHUA

China welcomes UN decision over Japanese "island" claims

BEIJING, May 16 (Xinhua) -- China on Wednesday welcomed a decision by a United Nations (UN) commission not to adopt Japanese claims over the geopolitical classification of Okinotori Atoll, an outcropping in the Philippine Sea. "Japan's claim of its outer continental shelf based on Okinotori Atoll was not acknowledged by the Commission on the Limits of the Continental Shelf," said Chinese Foreign Ministry spokesman Hong Lei in response to a question at a regular press conference, quoting information released by the UN agency.

[Full Report](#)

GULF OF ADEN | 8 MAY | THE GUARDIAN

Cuts force Royal Navy to drop Somalia piracy patrol

The UK has had to scale back its commitment to counter-piracy because the Royal Navy no longer has enough warships to dedicate one to Somalia all year round. While the US, France, Italy, Denmark and other nations still send frigates to thwart criminals who cause havoc with international trade, the Guardian has learned that Britain has quietly withdrawn its ships from these patrols, even though David Cameron has made Somalia's piracy problem a foreign policy priority.

[Full Report](#)

GULF OF ADEN | 8 MAY | IHS JANE'S

EU nations sanction further counter-piracy measures

While successful pirate attacks in the Gulf of Aden and other hot spots have declined in recent months due to naval patrols and other measures, the international community is taking no chances on a resurgence. Not only has the EU recently authorised its 'Atalanta' counter-piracy mission in the Indian Ocean to attack the pirates' land-based infrastructure, but individual

European countries are moving swiftly to enable the use of private security guards on commercial vessels.

[Full Report](#)

GULF OF ADEN | 15 MAY | THE MARITIME EXECUTIVE

EU Naval Force Delivers Blow against Somali Pirates on Shoreline

Earlier today, following the decision taken on 23 March 2012 by the Council of the European Union to allow the EU Naval Force to take disruption action against known pirate supplies on the shore, EU forces conducted an operation to destroy pirate equipment on the Somali coastline. The operation was conducted in accordance with the United Nations Security Council Resolution 1851 and has the full support of the Transitional Federal Government of Somalia.

[Full Report](#)

GULF OF ADEN | 12 MAY | THE NEW YORK TIMES

Somalia: Pirates Hijack Oil Tanker

Somali pirates have hijacked a Greek-owned oil tanker carrying close to a million barrels of crude oil in the Arabian Sea, the first successful attack on an oil tanker off the Horn of Africa in more than a year. The vessel was diverted toward Somalia's coastline, a pirate who identified himself as Ahmed said.

[Full Report](#)

SOUTH CHINA SEA | 27 MAY | DEFENSE NEWS

Shangri-La Talks to Tackle South China Sea Crisis

TAIPEI and WASHINGTON — The 11th Asia Security Summit in Singapore June 1-3 will take place against a backdrop of renewed U.S. pledges to defend Asia-Pacific allies growing nervous about aggressive Chinese territorial claims. This is the first visit by both Leon Panetta as U.S. secretary of defense and Adm. Samuel Locklear as head of U.S. Pacific Command. Other U.S. officials include Army Gen. Martin Dempsey, chairman of the Joint Chiefs of Staff, and U.S. Sens. John McCain, R-Ariz., and Joe Lieberman, I-Conn.

[Full Report](#)

US-PHILIPPINES | 9 MAY | DEFENSE NEWS

U.S. Committed to Upholding Security Pact: Philippines

MANILA, Philippines — The Philippines said May 9 that the United States had pledged to protect it from attacks in the South China Sea, a day after China issued a warning over a territorial row in the waters. Filipino Defence Secretary Voltaire Gazmin said he had received the assurances during talks in Washington last week in which the Philippines' increasingly tense dispute with China over rival claims to a shoal in the sea was discussed.

[Full Report](#)

[See RSIS Commentary](#)

CHINA-PHILIPPINES | 16 MAY | PHILIPPINE DAILY INQUIRER

Chinese fishing vessels still seen off Scarborough

MANILA, Philippines – Chinese fishing vessels were spotted off Scarborough Shoal despite the first day of the fishing ban Wednesday, the Bureau of Fisheries and Aquatic Resources said. "If they stay there not to fish that's OK. The ban covers only fishing activities in the area," BFAR director Asis Perez told reporters in a phone interview.

[Full Report](#)

[See RSIS Commentary](#)

S. KOREA | 15 MAY | THE KOREA TIMES

Korea toughens penalties for EEZ violation

Korea has toughened penalties for fishing boats that violate its exclusive economic zone (EEZ) to better protect its maritime resources, the government said Tuesday. The revised rules, which went into effect Monday, double the fines for illegal fishing to 200 million won (US\$173,000) from 100 million won, the Ministry for Food, Agriculture, Forestry and Fisheries said.

[Full Report](#)

CHINA- S. KOREA | 1 MAY | THE DONG-A ILBO

Korea prods China after 4 officials injured in fishing raid

The government filed a protest against China and requested immediate preventive measures after four Korean officials were injured Monday after boarding a Chinese vessel suspected of illegally fishing in Korean waters. Han Hye-jin, spokeswoman of the Korean Foreign Affairs and Trade Ministry, said, "The government took appropriate steps via the Chinese Embassy in Korea.

[Full Report](#)

CHINA – S. KOREA | 2 MAY | CHINA DAILY

Chinese fishermen face arrest by ROK

Two Chinese fishermen were facing formal arrest by South Korea after they were believed to have injured four South Korean fishing officials who boarded their vessel, South Korean media said on Tuesday. The vessel had been suspected of illegal fishing. The two - the 36-year-old captain and a 29-year-old navigator - are among nine Chinese fishermen who were detained early on Monday after the conflict with the South Korean officials on the Yellow Sea, Yonhap said.

[Full Report](#)

INDONESIA | 8 MAY | THE JAKARTA POST

Advanced technology needed to fight illegal fishing

The country's fishery sector will face threats from illegal, unreported and unregulated fishing operations in domestic waters unless the government makes the best of available technology. The Assessment and Application of Technology Agency (BPPT) has carried out research about systems that could be implemented to monitor fishing activities in Indonesia.

[Full Report](#)

INDONESIA-MALAYSIA | 26 MAY | THE JAKARTA POST

'Illegal' fishermen 'treated more humanely'

BATAM: Indonesian and Malaysian authorities have agreed to avoid the physical persecution of illegal fishermen who are found trespassing in disputed sea territories. The issue was raised during a bilateral meeting in Batam on Friday. The two neighboring countries are still at odds over sea territories and accusations of illegal fishing.

[Full Report](#)

CHINA-VIETNAM | 16 MAY | THE PHILIPPINE STAR

Vietnam protests China's South China Sea fishing ban

HANOI, Vietnam (AP) — Vietnam is protesting China's fishing ban in parts of the South China Sea that Hanoi

claims as its own. Foreign Ministry spokesman Luong Thanh Nghi says in a statement posted on the ministry's website late Tuesday that Vietnam considers China's decision "invalid." China's seasonal ban begins Wednesday and is meant to curb overfishing in the South China Sea.

[Full Report](#)

CHINA | 16 MAY | CHINA DAILY MAIL

We won't be bullied, top Chinese diplomat warns Philippines

China's top diplomat said yesterday that the nation would not tolerate bullying by smaller countries, "for instance, the Philippines". The remarks by State Councillor Dai Bingguo came ahead of today's start to a 2-1/2-month fishing ban by China in the South China Sea, including the waters surrounding the disputed Scarborough Shoal.

[Full Report](#)

SINGAPORE | 10 MAY | SEATRADE ASIA

Pirates strike product tanker in Singapore

Singapore: Eight to ten pirates have struck a Singapore-registered product tanker Savvy on Wednesday in Singapore waters, according to an incident alert from ReCAAP. The alert stated that the pirates were armed with guns and chopping knives, and they boarded the vessel using a portable ladder on the poop deck.

[Full Report](#)

GULF OF ADEN | 28 MAY | DEFENCE WEB

Somalia's Puntland police arrest 11 pirates

Police in Somalia's semi-autonomous region of Puntland have arrested 11 pirates and recovered rifles, a heavy machinegun and a truck, the region's authorities said. Somali pirate gangs typically seize ships in the Indian Ocean and the Gulf of Aden, holding their cargo and crews for ransom.

[Full Report](#)

Rena Update: Officers Sentenced to Jail, Container Recovery Passes 800 Mark

The Master and Second Officer of the cargo vessel Rena were sentenced on a total of 11 charges laid by Maritime New Zealand (MNZ), following an investigation into the ship's grounding on the Astrolabe Reef off Tauranga on 5 October. MNZ laid six charges against the Master, Mauro Balomaga, and five charges against the Second Officer, Leonil Relon, following the grounding. Both men pleaded guilty to all charges against them.

[Full Report](#)

Latest show of sovereignty? China starts issuing weather forecasts for disputed shoal

After the diplomatic and cyber fronts, the tiff between the Philippines and China over Panatag (Scarborough) Shoal may have expanded to the meteorological field. China on Sunday said it has started issuing weather forecasts for two islands and one reef in the South China Sea (West Philippine Sea), including the disputed shoal.

[Full Report](#)

Shipping, Ports, and the Maritime Economy

JAKARTA | 14 MAY | THE STRAITS TIMES

Jakarta port embarks on \$3.1b expansion

JAKARTA: Indonesia's largest port authority is pumping in more than US\$2.5 billion (S\$3.1 billion) to expand Tanjung Priok, the country's busiest port, which has long been constrained by a lack of berth space and an inability to serve large container vessels. The expansion of Jakarta's port, first built by the Dutch in 1877, comes three years after a management overhaul ranked staff competency over seniority, and saw annual volume of cargo increase threefold to ride on the back of Indonesia's economic growth.

Full Report Available Upon Request

INDONESIA | 9 MAY | DOW JONES NEWSWIRE

Indonesia's Export Restrictions on Minerals May Help Domestic Shipping

Samudera Shipping Line Ltd. (S56.SG) sees the recent restrictions by the Indonesian government on exports of some mining commodities as an opportunity for shipping companies to grow their business in Indonesia, Chief Executive David Batubara said. Indonesia will impose a flat export tax of 20% on 14 mineral ores, a Finance Ministry official told Dow Jones Newswires Tuesday, adding that the ministry will issue a decree later this week to that effect.

Full Report Available Upon Request

SINGAPORE | 21 MAY | THE STRAITS TIMES

Deepwater port near Batam set to rival Singapore

Work on a new deepwater port for container ships on an island between Batam and Bintan is set to begin next year, creating a potential rival to Singapore's port. The port, on Tanjung Sauh, aims to be a major transshipment centre for Indonesia, and is part of the country's overhaul of its transport infrastructure to

cope with growing domestic demand. It also looks set to be a direct competitor to Singapore's port, as it aims to capture shipping to and from East Asia

Full Report Available Upon Request

NEW ZEALAND | 8 MAY | NATIONAL BUSINESS REVIEW

Wellington terminal redevelopment close

It's a case of two steps forward and one back for the Wellington development community this month. Construction of a \$140 million apartment development will begin soon as demolition of the Overseas Passenger Terminal nears completion on Clyde Quay Wharf. The terminal was built in 1964 but almost immediately became a white elephant due to the advent of air travel. The project manager of the apartment development site is David McGuinness of Willis Bond.

Full Report Available Upon Request

CHINA | 1 MAY | BUSINESS MONITOR INTERNATIONAL
COUNTRY REPORTS

Industry Forecast - Port of Shanghai Q3 2012

BMI maintains its view that the growth trajectory of China's largest container port, the Port of Shanghai, is starting to weaken on the back of global macroeconomic pressure. However, the port is set to remain the dominant port, not only in China's box shipping sector, but also in the world. The Asian dragon's real GDP came in at 8.1% y-o-y and 7.2% quarter-on-quarter (q-o-q) on a seasonally adjusted basis in Q112, much weaker than consensus expectations.

Full Report Available Upon Request

SINGAPORE | 2 MAY | DOW JONES NEWSWIRE

Neptune Orient Lines: G6 Shipping Alliance Won't Implement Seventh Asia-Europe Loop

The G6 alliance of container shipping firms, which includes Singapore-listed Neptune Orient Lines Ltd.'s (N03.SG) APL container line, Wednesday said that it wouldn't implement a seventh service, or loop, on the Asia to North Europe trade lane due to unfavorable market conditions. The alliance of shippers was expecting to implement the seventh loop in March, but shelved the plan due to unsuitable market conditions at that time.

Full Report Available Upon Request

SINGAPORE | 3 MAY | DOW JONES NEWSWIRE

Costamare to Continue Fleet Growth with Newbuilds, Acquisitions-Executive

Greek shipping company Costamare Inc. (CMRE) will probably continue to grow through new builds and acquisitions and it remains optimistic about the global containership market, a company executive said Thursday. "We've recently done some acquisitions and will continue to seek opportunistic buys," Chief

Financial Officer Gregory Zikos said, adding that the company has enough cash to buy more ships in future.

[Full Report](#)

CHINA | 4 MAY | CHINA DAILY

Guangdong set to reap marine economy

The value of Guangdong province's marine economy is expected reach 1.5 trillion yuan (\$238.5 billion) by 2015, accounting for a quarter of the province's GDP, the local oceanic administration said on May 4. The figure marks a sharp rise from 980.7 billion yuan in 2011.

[Full Report](#)

SRI LANKA | 20 MAY | SUNDAY OBSERVER

Development projects to expand ports

Sri Lanka's aim to become the Asian shipping hub is not a daydream. The realisation of this goal is now being achieved systematically with new improvements taking place in each and every harbour in the country with the Ministry of Ports and Highways taking the initiative to increase the capacities of these ports through various expansion and development projects. Major development drives are now in place at the Colombo port that is ranked 29th in the world's busiest ports list. It is now in the process of completing its expansion project, the Colombo south harbour development project with the Asian Development Bank assistance.

[Full Report](#)

TAIWAN | 25 MAY | CENTRAL NEWS AGENCY

Free economic zone project to get off the ground in Kaohsiung

Kaohsiung, May 25 (CNA) President Ma Ying-jeou said Friday he hopes the Port of Kaohsiung can work toward becoming Taiwan's first showcase free economic zone to help drive the country's economic growth. Speaking at the groundbreaking of the second phase of the port's International Container Terminal,

Ma said the proposed showcase free zone will comprise the existing Kaohsiung Free Trade Zone, export processing zones and industrial parks in the southern Taiwan city.

[Full Report](#)

SINGAPORE | 25 MAY | DOW JONES NEWSWIRE

Europe Oil Traders, Shippers Face Problems Navigating Iran Oil Ban

A European Union ban on Iran's oil from July could have major consequences for European oil companies in Asia, as little-understood provisions in the sanctions law could see them facing investigation despite their best efforts to stay legal. EU oil companies and their overseas units cannot buy, import into the EU or transport even tiny amounts crude or refined oil of Iranian origin under rules coming into effect July 1.

[Full Report](#)

NEW ZEALAND | 26 MAY | GMA NEWS

Pinoy captain, ship officer go to jail for New Zealand marine disaster

A Filipino captain and navigation officer of a cargo ship that ran aground off New Zealand and triggered that country's worst maritime disaster last October were sentenced to seven months' jail terms Friday. Captain Mauro Balomaga, 44, and navigation officer Leonil Relon, 37, were sentenced in the Tauranga District Court in New Zealand's North Island, the Sydney Morning Herald reported. The ship crashed into a reef and spilled fuel, killing wildlife and damaging the coastal environment.

[Full Report](#)

VIETNAM | 13 MAY | THANHNIENNEWS

Vietnam state shipper scales back expansion plan amidst criticism

Vietnam National Shipping Lines has scaled down a plan to expand its fleet, cutting the cost estimate by one-third to VND68 trillion (US\$3.26 billion) amid

criticism that the state shipper is operating ineffectively. According to the company, often known as Vinalines, it originally planned to invest VND100 trillion to buy more vessels. But due to negative prospects for the shipping market, it has decided to revise the plan.

[Full Report](#)

PHILIPPINES | 16 MAY | THE PHILIPPINE STAR

Hanjin to hire more workers for Subic shipyard

Korean shipbuilder Hanjin Heavy Industries & Construction – Philippines, Inc. (HHIC-Phil, Inc.) is set to employ thousands of additional workers in its shipyard located at the Subic Bay Freeport in Olongapo this year. HHIC-Phil, Inc. currently employs nearly 20,000 local employees and continues to generate more indirect job and business opportunities in the surrounding communities. Jin Kyu Ahn, president of the Korean shipbuilder giant, said that once targets for ship orders are reached this year, Hanjin could add over 10,000 workers which “would clearly benefit the Philippine economy, and bring opportunities to Filipino entrepreneurs and skilled workers, and much needed revenue to the Philippine government”.

[Full Report](#)

SINGAPORE | 25 MAY | TRADEWINDS

Hong Kong duo merge to grow in bulk trades

Asia Maritime Pacific (AMP) and OSL Holdings (OSL), two Hong Kong-based dry-bulk operators with strong ties to Pacific Basin, have merged. The new company will adopt the AMP name and can now boast strong links in both the China-to-Australia and China-to-West Africa bulk trades. The deal has been described as a straight merger between the shareholders of both companies, with the common link being AMP chief executive Mark Young, who has been a significant shareholder in both companies.

Full Report Available Upon Request

Govt to buy 6 new ships

The government has taken a move to procure six new feeder vessels for Bangladesh Shipping Corporation (BSC) at a cost of Tk 30 billion (Tk 3000 crore) against a suppliers' credit line by China. China National Machinery Import & Export Corporation (CMC) has agreed to provide the credit to the government on condition of procuring the feeder vessels from its designated company.

[Full Report](#)