



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*:

### **Bumper Sticker Strategy in the Asia Pacific - p.1**

**By Geoffrey Till**



### **Ice Breaking in the Arctic Council - p.3**

**By Lim Chee Kia**



**MSP Perspectives:**

Bumper Sticker Strategy in the Asia Pacific – p. 1  
Ice Breaking in the Arctic Council – p. 3

**Naval Development & Policy:**

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# MSP Perspectives

## Bumper Sticker Strategies in the Asia-Pacific

By Geoffrey Till  
Visiting Professor

In the Asia-Pacific Region, strategic analysts are now grappling with the implications and consequences of two competing and dramatically labelled 'strategies' – [China's alleged 'Anti-Access Area Denial Strategy' \(A2/AD\)](#) and [the US Air Sea battle \(ASB\)](#). A great deal of the debate is much more excited than it needs to be because of the breathless way in which the two strategies are sometimes presented and understood, especially in the media.

The A2/AD is essentially a negative strategy of sea denial. While it may prevent others from doing things in contested waters, it does not necessarily provide the conditions in which one can do so oneself. For that a navy needs at least some capacity to defend such use against the sea denial attacks of others. For the ability to use the seas, a modicum of positive sea control is therefore needed. For this reason it is extraordinarily unlikely that this is the only, or even necessarily the main, driver of the procurement policy of a developing maritime power like China, and, if to a lesser extent, of most other countries too.

Secondly, there is nothing new about the concept. The language and some aspects of the associated technology may be novel but the idea isn't. It has a long historical ancestry, such as Antwerp 'hell-burners' against the Spanish in the 16<sup>th</sup> Century, and follows on from the ideas of the French *Jeune Ecole* of the 19<sup>th</sup> Century and the Soviet *New School* of the period between the First and Second World Wars. The latter had a very similar network-centric 'systems approach' to the task of denying access to stronger forces. The Soviet system in the 1920s was a radio-linked system by which a shore-based Commander could coordinate a large number of active, small mosquito craft with land based aircraft and artillery and passive sea defences to repel an assault by superior naval forces.

The only thing that is technologically new about the Chinese armoury is the appearance of land-based ballistic missiles allegedly capable of taking on moving targets at sea, but this possibility has been on the cards for years, and their current effectiveness is unknown.

Thirdly, there is nothing uniquely Chinese about the concept. After all the acquisition by Southeast Asian countries, [most obviously Vietnam](#), of submarines seems to serve much the same purpose, even if 'aimed' in some degree against China. Anti-access, sea denial capabilities and strategies are a perfectly normal part of the naval armoury.

Lastly, Lastly, Chinese strategists must be aware that if used in anger against significant proportions of the US Fleet, or its bases in Japan or Guam, land based attacks of any sort would invite retaliation, or even pre-emption, and would be highly escalatory with a significant risk of leading to general war - between nuclear armed powers. For this same reason, strategists considering the possibility of an East-West conflict that was limited to the sea during the Cold War, ridiculed an already dubious concept as soon as it 'went ashore' in any way. A general war between China and the

US of course simply does not make strategic sense; both sides accept that it needs to be deterred not seriously contemplated... .. The same kind of caveats have to be entered against Air-Sea Battle. Firstly it is a concept not a strategy. Hence its much criticised 'vagueness.' It is intended to counter the growing sea denial capabilities in littoral waters that the Americans and others see developing around the world. Although, of course, it has applicability to the Asia-Pacific region, it is not crudely 'aimed against China' as so many commentators assume. After all a much safer, less escalatory, and cheaper way of reining in an over-assertive China would be to attack not where it is strongest but where it is most vulnerable - its sea lines of communication, a point that is well recognised.

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Secondly, this idea again is not new. It has analogies with the Air-Land Battle concept developed in response to the apparent challenge posed by Soviet forces in Europe in the 1970s and 1980s. The emphasis is on making the most of expensive naval and air assets by integrating them more effectively. The British in their less overstated way call their version of this concept “Air-Sea Integration” and point to the success of the allied operation in Libya as a triumphant vindication of the idea.

The problem is that many commentators (including, be it said, military ones) are obsessed with the technology of A2/AD and ASB as military operations but forget that these are political propositions as well. To the extent that A2/AD actually is an operational strategy, some in China might well be pleased if Americans were to interpret it as such and, anxious not to put valuable assets into positions of greatly increased risk, were to draw their main fleet forces back from the Western Pacific. They, and indeed the Americans, must be well aware that this would undermine the US preference for the forward presence that underlies their operational flexibility and the perceived credibility of US support for countries like Japan or South Korea. Such a consequence would transform the strategic geography of the area.

So, when looking just at the Western Pacific (and ignoring the Libyan or Iranian type scenarios of the future), what we are actually seeing in this bumper sticker conflict is less an active preparation for a possible conflict between the two countries and more a kind of competitive, muscular messaging that both sides feel to be necessary alongside all the cooperative political, economic and cultural linkages that exist and which make the prospect of real conflict between the two exceedingly unlikely. And there’s nothing new in that particular juxtaposition of tendencies either....

*\* The term “Bumper Sticker” alludes to the common US propensity to reduce the complexities of a strategy to a short catchy phrase that can be stuck on the bumper of a car.*

## Ice Breaking in the Arctic Council

By Lim Chee Kia

Associate Research Fellow, Maritime Security Programme

When China's ice-breaker, "Xuelong" arrived in Iceland in mid August via the Northern Sea Route (NSR), it made history as China's first ship to traverse the NSR. NSR reduces the sea travelling distance between Europe and China by about 40%, drastically reducing the time and cost of sea transportation. While the route is currently only available during certain months on the year, some predict that it could be accessible year round as early as 2030. An alternative transportation route would provide an additional security blanket to China's seaborne energy import as 65% of China's energy is transported via the Straits of Malacca and Singapore. The so-called Malacca dilemma suggests that if the straits is closed or disrupted, China will come to a standstill. Due to the importance of NSR, China has formally applied to upgrade its ad-hoc observer status in the Arctic Council to that of permanent observer.

Having secured the support of a number of Arctic Council members such as Iceland, Denmark, Sweden and perhaps Norway, the exclusive council will decide on China's observer status in 2013. The Arctic Council restricts its membership to the eight countries with territories in the Arctic, along with its current six permanent observers of France, Germany, Netherlands, Poland, Spain and United Kingdom. Other influential organisations within the Arctic Council are nature conservation organisations such as the World Wide Fund and Arctic indigenous population organisations such as the Inuit Circumpolar Council.

Due to its strict membership rule, the permanent observer status is the best that China could hope to achieve in order to participate in Arctic related issues, including the development of NSR. While a permanent

observer has no voting rights, its voices on various issue could be heard at meetings and working groups. Of course, China is not the only country seeking to join the Arctic Council as the EU, Japan, South Korea, Italy, India and Singapore have also officially applied for permanent observer status.

The Arctic Council is in a dilemma with regards to its expansion. For decades, the organisation has been neglected by the international community and faces a dire resource constraint. Accepting the participation of economic powerhouse such as China and Japan will

improve its financial situation. But at the same time, members such as Russia and U.S. will be concerned if a rising power such as China's participation in the Arctic will further challenge their international leadership status. Non-governmental organisations such as the Inuit Circumpolar Council may also be concerned that their voice would be neglected should the Arctic Council become yet another arena for major-powers rivalry.

While the rights of Arctic Council member states are to be respected, the Arctic Council's exclusivity is not sustainable. As the NRS becomes more viable and number of projects in the Arctic increases, the financial and resource burden on its current members will increase exponentially. China, Japan and the other non-Arctic countries are not only major potential market of Arctic's rich resources, but also stakeholders in the development of Arctic. As stakeholders, they must cooperate, and may have expertise to share with the Arctic Council members to further advance environmental protection, welfare of indigenous population and other relevant issues in the once isolated Arctic.

*China, Japan and the other non-Arctic countries are not only major potential market of Arctic's rich resources, but also stakeholders in the development of Arctic*

# Naval Development & Policy

CHINA-U.S. | 3 AUGUST | DEFENSE NEWS

## U.S. Criticizes New China Garrison in Tense Sea

The United States on Aug. 3 criticized China's establishment of a new military garrison in the South China Sea as it called on all sides to lower tensions in the hotly contested waters. China announced last week that it was establishing the tiny city of Sansha and a garrison on an island in the disputed Paracel chain, infuriating Vietnam and the Philippines, which have accused Beijing of intimidation.

[Full Report](#)

AUSTRALIA-INDONESIA | 2 AUGUST | THE AUSTRALIAN

[Full Report](#)

## No free access for Aussie navy: Indonesia

INDONESIA has rejected reports it is set to sign a deal allowing the Australian navy to enter its waters without first being granted permission. Australian Defence Minister Stephen Smith and Home Affairs Minister Jason Clare are expected to visit Jakarta next month for discussions on maritime co-operation and other issues. However, reports that an agreement would be signed to give Australian navy vessels free rein in Indonesian waters have now been rejected by both countries.

[Full Report](#)

INDIA | 6 AUGUST | THE NEW INDIAN EXPRESS

## India plans a 65,000-tonne warship

Taking a cue from its first indigenous aircraft carrier programme, India is now envisaging construction of its largest warship yet – a 65,000-tonne aircraft carrier named INS Vishal (literally meaning 'huge') with the latest fighter jets and choppers onboard. The warship is scheduled to enter the Indian Navy's flotilla by 2025 and is presently in its design phase.

JAPAN – U.S. | 8 AUGUST | TAIPEI TIMES

## US to deploy drones over Diaoyutais

The US will use its most advanced unmanned reconnaissance aircraft to monitor Chinese activity in waters surrounding the Diaoyutai Islands (釣魚台), the object of an acrimonious dispute between Beijing and Tokyo, Japanese media are reporting. The decision was made during a meeting between Japanese Defense Minister Satoshi Morimoto and US Secretary of Defense Leon Panetta at the Pentagon on Sunday, NHK and the Yomiuri Shimbun said, adding that the drones would also conduct surveillance around Okinawa.

[Full Report](#)

INDIA | 11 AUGUST | THE TIMES OF INDIA

## Navy to buy 56 utility helicopters for \$1bn

NEW DELHI: India has set the ball rolling for another mega defence deal, worth close to \$1 billion, for the acquisition of 56 naval utility helicopters customized for surveillance, anti-submarine warfare, anti-terror, electronic intelligence gathering and search and rescue

operations. The armed forces are looking to induct as many as 900 helicopters in the coming decade, including 384 light-utility and observation, 90 naval multi-role, 65 light combat, 22 heavy-duty attack, 139 medium-lift and 15 heavy-lift, among others, as was first reported by TOI earlier.

[Full Report](#)

INDIA | 3 AUGUST | DEFENSE NEWS

### **India Unveils Coastal Surveillance System**

NEW DELHI — India Aug. 3 launched its National Automatic Identification System (NAIS), aimed at ensuring effective coordination for coastal surveillance. Saab of Sweden and Indian defense major Elcome Marine Services built the NAIS at a cost of more than \$22 million. NAIS connects 74 sensors installed on lighthouses along the entire coastline of India that will be able to track vessels to a distance of 50 kilometers from the coast.

[Full Report](#)

INDIA | 20 AUGUST | AVIATION WEEK

### **Indian Navy Freezes Flat-Top Configuration**

The Indian navy is likely to call an end to its tryst with ski-jump aircraft carriers, deciding that its next big vessel will be a flat-top with a catapult-launch system. While India's first home-built carrier, known as the Vikrant, is to be a 44,000-ton short-takeoff-but-arrested-recovery (Stobar) carrier, the second ship—tentatively titled Vishal (“Immense”)—is seen as a 65,000-ton flat-top with a steam-catapult system. The Naval Design Bureau, which oversees design and implementation of all indigenous warship building efforts, is expected to freeze its requirements by year-end.

[Full Report](#)

RUSSIA-VIETNAM | 28 AUGUST | RIA NOVOSTI

### **Russia Launches Submarine for Vietnam**

Russia's Admiralteiskie Verfi shipyard has launched a new Kilo-class Project 636 diesel-electric submarine for Vietnam, a military-industrial complex sources said on Tuesday. The boat is the first of six ordered by Hanoi. Vietnam's Prime Minister Nguyen Tan Zung announced the signing of a contract worth almost \$2 billion for the six boats in December 2009.

[Full Report](#)

INDIA – CHINA | 12 JUNE | HINDUSTAN TIMES

### **Indian warships to dock at Chinese port after 6 yrs gap**

After a gap of six years, an armada of Indian warships would dock at the Chinese port city of Shanghai tomorrow to begin a five-day goodwill tour in a show of camaraderie in spite of misgivings about each other's rise. The frontline warships include Rana, a Rajput class guided missile destroyer, Shivalik, a stealth frigate, Karmuk, a Kora class Corvettes and INS Shakti, a fleet tanker, and comprise about 1400 sailors would berth at Shanghai's picturesque "Bund" to make a big splash.

[Full Report](#)

RUSSIA-JAPAN | 14 AUGUST | REUTERS

### **Russia to send navy vessels to disputed Pacific islands**

Russia will send two navy vessels to the disputed Kuril islands in the Pacific, the Defence Ministry said on Tuesday, in a move likely to anger Japan which lays claim to them. The dispute has strained relations between the two countries since World War Two, when Soviet forces occupied the four islands at the southern end of the Kuril chain.

[Full Report](#)

JAPAN-KOREA | 21 AUGUST | THE KOREA TIMES

### **Korea to spurn Japan's formal proposal over Dokdo**

Korea will reject an expected formal proposal by Japan to take the issue of Dokdo to the International Court of Justice (ICJ), reaffirming its stance that there should

not exist any territorial disputes over the islets because they are clearly Korean territory, officials said Tuesday. A verbal proposal was immediately dismissed by Korea last Friday, but Japan ratcheted up its move as Chief Cabinet Secretary Osamu Fujimura said that Tokyo will deliver a "note verbale," a diplomatic document unsigned but more formal than a verbal one, to South Korea later in the day.

[Full Report](#)

JAPAN-CHINA | 27 AUGUST | THE JAPAN TIMES

### **Government offering Senkakus owner ¥2 billion for contested isles**

The government is making a ¥2 billion bid for the Senkaku Islands as it forges ahead with a plan to bring them under state control around next month, sources familiar with the matter said Sunday. The government is engaged in serious behind-the-scenes talks with the Kurihara family, which owns four of the five isles at the center of Japan's diplomatic strife with China.

[Full Report](#)

U.S. – Southeast Asia | 28 AUGUST | NAVY.MIL

### **Southeast Asia Cooperation and Training Exercise Begins**

CHANGI NAVAL BASE, Singapore (NNS) -- The 10th annual Southeast Asia Cooperation and Training (SEACAT) exercise commenced Aug. 27, with liaison officers from the United States, Brunei, Indonesia, the Philippines, Singapore, and Thailand tracking contacts of interest in a maritime interdiction scenario. SEACAT highlights the value of information sharing and multilateral coordination within scenarios that give participating navies hands-on practice in maritime interdiction operations (MIO).

[Full Report](#)

S. KOREA | 30 AUGUST | DEFENSE NEWS

### **S. Korean Navy Operates 3rd Aegis Ship**

South Korea's Navy took over its third Aegis-equipped destroyer from the Defense Acquisition Program Administration (DAPA) on Aug. 30. Built in September 2009, the KDX-III 7,600-ton Sejong the Great-class ship has undergone two years of sea trials and other operational tests, Navy and DAPA officials said.

[Full Report](#)

CHINA | 28 AUGUST | DEFENSE NEWS

### **China Tries To Expand Control as Taiwan Resists: Report**

China is attempting to slowly assimilate Taiwan, said a new report issued by the London-based Business Monitor International (BMI). "Taiwan: Defence & Security Report" includes five-year forecasts to 2016 of defense, economic, political and security trends.

[Full Report](#)

U.S.-AUSTRALIA | 25 AUGUST | DEFENSE NEWS

### **No Permanent U.S. Bases in Australia, Aussie FM Says**

The United States will not seek permanent military bases in Australia and nor would hosting one be in Canberra's interests, Foreign Minister Bob Carr said Aug. 25. Australia has welcomed long-term ally Washington's plans for an enhanced naval presence in the Pacific and last year agreed to allow up to 2,500 U.S. Marines to be deployed to a barracks near the northern city of Darwin.

[Full Report](#)

INDIA | 7 AUGUST | DEFENSE NEWS

### **India's First Nuclear Submarine Set for Trials**

India said its first home-built nuclear submarine was set for sea trials as it detailed billion-dollar projects to arm its navy with warships, aircraft and modern weaponry. The indigenous 6,000-ton INS Arihant (Destroyer of Enemies) was unveiled in 2009 as part of a project to construct five such vessels that would be armed with nuclear-tipped missiles and torpedoes.

CHINA-ISRAEL | 13 AUGUST | DEFENSE NEWS

### **Chinese Warships Dock in Israel**

Three Chinese warships from the People's Liberation Army Navy (PLAN) docked in Haifa Aug. 13 for a five-day visit here as guests of the Israel Navy. Led by Rear Adm. Yang Junfei, deputy commander of the PLAN's North China Sea Fleet, the Chinese contingent will tour multiple sites throughout the country in honor of the 20th anniversary of diplomatic ties between Jerusalem and Beijing.

[Full Report](#)

### **HMAS *Perth* Exercise Tests Upgraded Missile Defence System**

HMAS Perth has completed an advanced air warfare weapons event during a multinational firing serial at Exercise Rim of the Pacific (RIMPAC) 2012, the world's largest maritime exercise in Hawaii. HMAS Perth joined HMAS Darwin in a six-ship formation with Canadian and US ships that conducted a coordinated 'defence' of the group against multiple target drones that flew realistic profiles against the ships.

[Full Report](#)

U.S.-AUSTRALIA | 1 AUGUST | AGENCE FRANCE PRESSE

### **Australia rules out US nuclear aircraft carrier base**

Australian Defence Minister Stephen Smith has rejected a proposal to base a US nuclear aircraft carrier and other warships in the country, a move that would rankle key trade partner China. The idea of using the Australian navy's western base, HMAS Stirling near Perth, to host an American carrier group and other fighter jets was reportedly raised in a study of US military posture in the Asia-Pacific.

[Full Report](#)

CHINA | 29 AUGUST | TAIPEI TIMES

### **China building new Type 052D guided missile destroyer**

The Chinese Navy appears to be developing a brand new type of guided-missile destroyer (DDG) and could be producing several hulls simultaneously, a development that could further tip the balance of power in the Taiwan Strait. Images have emerged on Chinese military Web sites in recent weeks that seem to confirm the long-rumored development of the Type 052D destroyer, which some analysts are comparing to Aegis-equipped destroyers in the US Navy.

[Full Report](#)

# Maritime Safety and Security



SOMALIA | 9 AUG | LEXISNEXIS ACADEMIC

## **Pirates losing the battle off Somalia's coast**

A full month has passed without an attack by pirates off Somalia for the first time since such raids began more than five years ago. There has been no successful attack since June 19, when a fishing dhow was seized, and no ship has been fired on or a boarding attempted since June 26, when a Maltese-flagged cargo ship was attacked, according to data from the International Maritime Bureau (IMB). It marks the longest unbroken stretch of peaceful transit through the waters off Somalia, and was attributed to the increased use of armed guards on ships and international naval patrols.

Full Report Available Upon Request

UNITED NATIONS | 9 AUG | INTER PRESS SERVICE

## **Amid Rise in Piracy, U.N. Backs Summit on Maritime Security**

When the United Nations advocates the protection of the world's oceans, its political agenda transcends the battle against marine pollution, global warming, overfishing, greenhouse gases and sea-level rise. "We are also talking of high seas piracy and growing conflicts over maritime boundaries," says one U.N. official. And as piracy continues to be on the rise, the United Nations is now pushing for a summit meeting of West African leaders aimed at thwarting high seas crimes in the Gulf of Guinea. Supported by the 15-member Economic Community of West African States (ECOWAS), the meeting is to take place before the end of this year.

[Full Report](#)

RUSSIA | 9 AUG | ALASKA DISPATCH

## **Russia plans naval stations for Arctic's Northern Sea Route**

According to Russia's RIA Novosti via Norway's the Barents Observer, Russian officials have announced plans to add a naval component to the series of marine rescue and emergency stations being constructed along the country's Northern Sea Route (NSR). The new naval stations will allow naval and border guard vessels to temporarily station along the marine corridor opening along the northern coast of Siberia.

[Full Report](#)

SRI LANKA | 10 AUG | ACCESSMYLIBRARY

## **Sri Lankan minister hails navy's efforts for peace among ASEAN nations**

The Sri Lanka Navy was making a significant contribution in preserving peace and tranquillity in the seas jointly enjoyed by all ASEAN [Association of South East Asian Nations] nations, External Affairs Minister Professor G.L. Peiris said in Colombo on Wednesday [8 August]. The minister was the chief guest at the 45th anniversary of ASEAN that was celebrated in Colombo. Minister Peiris said that people smuggling was an activity which had the potential to inflict grave damage on the economies of ASEAN nations and to disrupt their social structures.

GULF OF OMAN | 12 AUG | BLOOMBERG

### **U.S. Navy Ship Collides With Tanker Near Strait Of Hormuz**

The U.S. Navy said one of its guided-missile destroyers collided with an oil tanker near the Strait of Hormuz in the Persian Gulf. The collision between USS Porter and the Panamanian-flagged bulk oil tanker M/V Otowasan occurred at about 1 a.m. local time, Bahrain-based U.S. 5th Fleet spokesman Lieutenant Greg Raelson said in a phone interview today. The collision was not combat-related and overall damage to the ship is being evaluated, he said.

[Full Report](#)

[Full Report](#)

UNITED ARAB EMIRATES | 13 AUG | ARABIANBUSINESS.COM

### **Gulf states target pirates with 'ray gun' tech**

Gulf states have incorporated 'ray-gun'-style technology into their maritime defences in a bid to combat the growing piracy and to prevent civilian vessels from accidentally damaging expensive oil and gas terminals, the regional head of a leading US defence contractor told *Arabian Business*. Massachusetts-based Raytheon, the world's largest missile maker, has developed a new technology known as 'Silent Guardian' which has been adapted for use on vessels in the Gulf, Kevin Massengill, the defence contractor's vice president and regional executive, said in an interview in Dubai.

[Full Report](#)

NEW ZEALAND | 14 AUG | CHINA DAILY

### **New Zealand steps up support for Pacific fisheries management**

The New Zealand government is planning to help its smaller Pacific neighbors police their territorial fisheries, with support such as naval vessels to board fishing boats. The announcement was made Tuesday after Royal New Zealand Navy offshore patrol vessel

HMNZS Otago returned from an extended deployment in the south Pacific. The Otago had conducted a range of activities during the 10-week deployment, from maritime security and surveillance patrols to assisting with mentoring Pacific Patrol Boat personnel, said a statement from the navy.

[Full Report](#)

AUSTRALIA | 23 AUG | THE TELEGRAPH

### **Australia to Boost Refugee Numbers**

Australia said it would increase its annual refugee intake by 40 per cent to 20,000 a year, as part of a plan to deter people smugglers. Prime Minister Julia Gillard said the rise, which was recommended by a recent expert inquiry into refugee policy, would include the immediate resettlement of 400 asylum-seekers from Indonesia as a gesture of goodwill. "We will be increasing our annual refugee intake from 13,750 to 20,000 places in this financial year," Mrs Gillard said in a statement. The financial year began on July 1.

[Full Report](#)

SINGAPORE | 23 AUG | TRADEWINDS

### **Tugs Raided Off Singapore**

Two more vessels have been attacked by robbers off Singapore. The ReCAAP Information Sharing Centre (ISC) said the tug *Marcopolo 17* was attacked in the early hours of 19 August off Pulau Tekong, while towing a barge. They escaped with the crew's personal belongings, rice and rations. No injuries were reported.

[Full Report](#)

INDIA-SRI LANKA | 28 AUG | THE NATION

### **Coast Guards of India, Sri Lanka meet**

Coast Guards of India and Sri Lanka are holding a four-day meeting in New Delhi where they will discuss maritime issues against the backdrop of allegations of attacks on Indian fishermen by Sri Lankan Navy. A delegation led by Sri Lanka Coast Guard Chief Rear Admiral AARA Dias, who is on a visit to India from 26-

30 August, held a meeting with his Indian counterpart Vice Admiral MP Muralidharan, a Defence Ministry statement said.

[Full Report](#)

PHILIPPINES | 28 AUG | MANILLA BULLETIN

### **Philippines joins US, 5 Asian navies in maritime security drill**

MANILA, Philippines -- Amid mounting tension over disputing claims to islands in the West Philippine Sea (South China Sea), the Philippine Navy (PN) joined five other navies from Southeast Asian countries in maritime security exercises with the United States Navy (USN) known as the Southeast Asia Cooperation Against Terrorism (SEACAT), the military said Sunday. Commodore Miguel Jose Rodriguez, Armed Forces of the Philippines (AFP) spokesman, expressed hope that after the 10th annual SEACAT, the PN may soon hold the same exercise with the Chinese Navy.

[Full Report](#)

HORN OF AFRICA | 29 AUG | GLOBAL POST

### **Pirate attacks in Horn of Africa declining: report**

There's been a sharp decline in pirate attacks in the waters surrounding the Horn of Africa this year, the US Navy has found, the New York Times reported. According to the data, which was released last week, there have only been 46 pirate attacks in the area this year, the Times reported. There were 222 attacks in all of last year, and 239 in 2010.

[Full Report](#)

PHILIPPINES | 30 AUG | CBS NEWS

### **Philippines Eyeing Joint Sea Patrol With Neighbours**

The Philippines, Indonesia and Malaysia are considering joint patrols of their sea borders to combat piracy, smuggling and the movement of al-Qaida-linked militants, a top defense official said Thursday. The proposal was discussed when Philippine Defense Secretary Voltaire Gazmin met earlier this week with

his Indonesian and Malaysian counterparts, who traveled to the Philippines to visit their troops involved in efforts to strengthen a cease-fire between Filipino forces and Muslim guerrillas in the south.

[Full Report](#)

CHINA | 31 AUG | JAKARTA GLOBE

### **Fishing for trouble in South China Sea**

He was the veteran fisherman tasked with guiding his young cousin during a 2007 fishing expedition in the waters near the Spratly Islands. But Chen Yibin, 48, ended up having to pack his 20-year-old relative's body into a freezer that was meant to store fish, as he made a three-day dash back to their hometown here. To this day, Chen believes his cousin was killed by Filipino soldiers who boarded the Chinese fishermen's boat, charging that it had strayed into Philippine waters and then firing at them.

[Full Report](#)

AUSTRALIA | 31 AUG | THE NEW YORK TIMES

### **Australia Ends Search in Boat Sinking With Scores Presumed Dead**

Nearly 100 passengers from a boat packed with refugees that sank south of Indonesia this week are presumed dead, Australian officials said Friday, making it apparently the deadliest in a string of boat disasters this year involving asylum seekers trying to reach Australia. The Australian Maritime Safety Authority, which had been coordinating rescue efforts in the area where the boat disappeared off the main Indonesian island of Java, said in a statement that it had decided to call off the search.

[Full Report](#)

# Shipping, Ports, and the Maritime Economy

CHINA | 6 AUG | UNITED PRESS INTERNATIONAL

## Chinese icebreaker makes arctic voyage

BEIJING, Aug. 6 (UPI) -- A Chinese icebreaker has completed its passage through the arctic Northern Sea Route, marking the first such voyage by a Chinese vessel, officials said. The icebreaker Xuelong, or Snow Dragon, traveled through five marginal seas of the Arctic Ocean: the Chukchi, the East Siberian, the Laptev, the Kara and the Barents, China's state-run Xinhua News Agency reported.

[Full Report](#)

CHENNAI | 1 AUG | THE JAKARTA POST

## Gati Ship's Chennai-Yangon dedicated service begins

Gati Ship, a 100 per cent subsidiary of Gati Ltd, is to commence a dedicated shipping route service between Chennai and Yangon. This will help businesses maximise trade potential between the two countries. The Hyderabad-based Gati Ship is the only licensed operator making several voyages a month between India and Myanmar via Port Blair. It is the only direct service operator on the East Coast of India-Myanmar route, says a company press release.

[Full Report](#)

INDIA | 2 AUG | BLOOMBERG

## Iran Oil Shipping To Resume As Insurers Step In: Corporate India

India, the third-biggest buyer of Iranian oil, will offer state-backed insurance to tankers, helping the nation's biggest sea carrier to resume cargoes from the Persian Gulf nation hit by international trade sanctions. Shipping Corp. of India will soon start services to Iran as Indian insurers have agreed to give as much

as \$100 million of cover per voyage, Chairman Sabyasachi Hajara said without specifying a timeframe. Prior to the sanctions, European companies provided unlimited protection against risks including oil spills and collisions, he said.

[Full Report](#)

RUSSIA | 6 AUG | BARENTS OBSERVER

## In Russian Arctic, a new major sea port

The new port, a joint initiative of the Novatek company and Russian federal authorities, will be a key component in the development of the gas-rich Yamal Peninsula. Linked with the South Tambey field and a major projected LNG plant, the port will be built to handle more than 30 million tons of goods per year. The new port is planned to be operational all-year-round, despite the highly complex ice conditions of the Ob Bay.

[Full Report](#)

SINGAPORE | 8 AUG | BLOOMBERG

### **Neptune Orient Shipping Unit Posts First Profit Since 2010**

Neptune Orient Lines Ltd. (NOL) said its container-shipping arm, Asia's third-biggest, had the first quarterly profit since 2010 because of higher freight rates and cost-savings. APL Ltd. posted core earnings before interest and taxes of \$7 million in the three months ended in June compared with a \$53 million loss a year earlier, according to a statement today. The group's logistics division had a \$9 million profit on the same basis. Singapore-based NOL's net loss was \$118 million, weighed down by \$112 million of restructuring charges.

[Full Report](#)

INDIA | 11 AUG | THE HINDU BUSINESS LINE

### **Container traffic: Chennai Port going all out to regain top position**

Work on the Chennai Port Mega Terminal Project is expected to start shortly and the first ship would be anchored in three years at the new terminal, according to Atulya Misra, Chairman of Chennai Port Trust. He dismissed fears that with the development of Ennore and Karaikal ports that flank the Chennai Port, the latter may lose its pre-eminent position in the region.

[Full Report](#)

INDIA | 14 AUG | PROJECT MONITOR

### **Downturn in shipping industry has not impacted port sector**

The current downturn in the shipping industry has not impacted the port sector. Traffic at ports is growing at a healthy rate; during FY12 port traffic increased by 5 per cent to 929 million tonnes. The shipping industry is mainly impacted by oversupply of vessels. Essar Ports' traffic increased by 9 per cent to 43.2 million tonnes in FY12, from 39.5 million tonnes in FY11. During the first quarter of the current fiscal year, Essar Ports' traffic increased by 13 per cent to 12.65 million tonnes

compared to 11.20 million tonnes in the corresponding quarter of the last fiscal.

[Full Report](#)

CHINA | 14 AUG | TRANSPORT WEEKLY

### **China leads world in container shipping throughput**

The latest 2011 shipping statistics from China's Transport Ministry shows national container throughput of 164 million TEU and an overall cargo volume of more than 10 billion tonnes which makes the country tops in global shipping, Xinhua reports. China's waterway cargo traffic climbed 12 per cent to 4.2 billion tonnes, taking up 11.5 per cent of the country's total cargo transportation volume. China's port throughput increased 12.4 per cent to 10.04 billion tonnes. Foreign trade cargo climbed 11.4 per cent to 2.79 billion tonnes. Container throughput increased 12 per cent to 164 million tonnes. On the list of the world's top 20 container ports, eight were from China.

[Full Report](#)

LONDON-WORLD | 16 AUG | MALAYA BUSINESS INSIGHT

### **Global vessel reliability hits record-high 75.7%**

LONDON — Vessel schedule reliability across the global shipping industry had improved to a new record high of 75.7 percent in the second quarter of 2012, Drewry Maritime Research said in its quarterly report, Carrier Performance Insight. Danish shipping giant Maersk Line and South Korean container liner Hanjin improved on their performances in the first quarter as they maintained their positions as the two most reliable major carriers.

[Full Report](#)

MALAYSIA | 16 AUG | BUSINESS TIMES

### **RM500m on Johor Port modernization**

Johor Port is to spend RM400 million to RM500 million to implement its five-year redevelopment and

modernisation plans until 2016, Chief Executive Officer Shahrull Allam Shah Abdul Halim said today. He said the ambitious modernisation plan would see Johor Port emerging as a RM1 billion annual revenue company at the end of the five-year plan.

[Full Report](#)

CHINA | 19 AUG | EAST DAY

### **Arctic research institute set for Shanghai**

[Full Report](#)

CHINA will launch its first international Arctic cooperation and research institute in Shanghai, sources attending a Sino-Iceland workshop said yesterday in Reykjavik, Iceland. The workshop on Arctic studies was held as part of the first formal visit to an Arctic country by China's fifth Arctic expedition team, aboard the icebreaker Xuelong, or "Snow Dragon." The icebreaker arrived in Iceland after sailing the Northern Route along the coast of Russia. It became the first ship from China to cross the Arctic Ocean.

[Full Report](#)

KOREA | 19 AUG | THE KOREA TIMES

### **From bad to worse**

[Full Report](#)

Korea's leading shipbuilders posted sharp declines in their second-quarter operating profits, adding further anxiety to their already troubled financial health. Analysts said sluggish demand for vessels and sales at heavily discounted prices were to blame for the poor performances. They added that the global shipbuilding market is expected to turn bullish from next year, which means local shipbuilders will remain adrift in tough waters for a while.

[Full Report](#)

RUSSIA | 23 AUG | ALASKA DISPATCH

### **Russia pushes forward on Northern Sea Route**

Russian Prime Minister Vladimir Putin's administration is trying to get a leg up on development of the Northern Sea Route. Last week, Secretary of the Security Council Nikolai Patrushev stated to RIA

Novosti that the amount of state supervision and control over the Northern Sea Route was "not acceptable," especially in the eastern part. Most of the resources put into the route's infrastructure are funneled into the Murmansk-Dudinka-Krasnoyarsk transport corridors. Murmansk is the largest city in the Arctic, in the far west of Russia, while Dudinka is a port on the Yenisey River. Krasnoyarsk lies far inland, on the Lena River.

MALAYSIA | 24 AUG | BUSINESS TIMES

### **Inmarsat sees good demand from shipping industry**

Global mobile satellite communications services provider Inmarsat plc expects the demand for mobile satellite communications in Malaysia to continue growing, especially in the shipping industry. Its president (maritime) Frank Coles said the country's shipping industry is maturing. He said Inmarsat, which was recently picked by Malaysian shipping giant MISC Bhd to install mobile satellite communications services in its vessels, is expecting customers to be more selective in the services they use.

CHINA | 27 AUG | REUTERS

### **Toll to focus on resolving Japan's problems**

Transport and logistics group Toll Holdings says resolving problems in its business in Japan and its marine shipping operations in Asia are its current priority. Toll on Monday booked a 77 per cent fall in full year profit due to writedowns on some assets in Australia and Japan. Net profit in the year to June 30 was \$64.6 million, down from \$281.4 million in the prior year.

[Full Report](#)

CHINA | 29 AUG | REUTERS

### **China COSCO posts 2.17 bln yuan net loss in Q2**

China COSCO Holdings Co Ltd , operator of the world's largest bulk cargo fleet, posted on Wednesday its sixth consecutive quarterly loss and said the outlook for the industry remained bleak as a result of a supply glut. Shippers are struggling with a severe industry downturn as large numbers of new vessels, ordered when freight rates were at record highs around 2008, are delivered as economies slow and demand for commodities slackens.

[Full Report](#)

SINGAPORE | 30 AUG | ENERGY ASIA

### **SINGAPORE: Marine and offshore industry contribute over S\$16 billion to economy**

Buoyed by strong energy demand from emerging economies and the continued outlook for high oil prices, the marine and offshore industry contributed over S\$16 billion to Singapore's economy last year. (US\$1=S\$1.25). In addition, the sector provided employment for 18,000 local residents at the end of last year, up 30% a decade ago, said acting Minister for Manpower Tan Chuan-Jin. The sector is also a source of innovation and productivity, helped by the government's investments in building up research and development (R&D) capabilities.

[Full Report](#)