



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

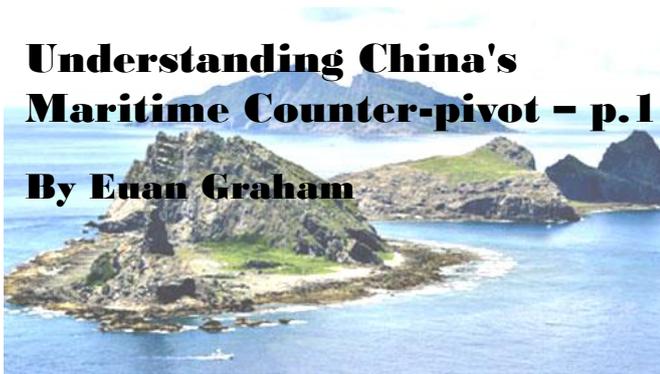
# Broader Horizons

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

## Featured *MSP Perspectives*:

**Understanding China's  
Maritime Counter-pivot – p.1**

**By Euan Graham**



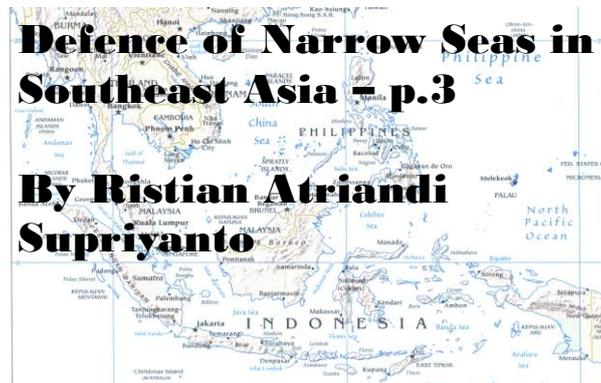
**China's Aircraft Carrier:  
Implications for Southeast  
Asia – p.2**

**By Koh Swee Lean, Colin**



**Defence of Narrow Seas in  
Southeast Asia – p.3**

**By Ristian Atriandi  
Supriyanto**



**MSP Perspectives:**

Understanding China's  
Maritime Counter-pivot  
– p. 1

China's Aircraft Carrier:  
Implications for Southeast  
Asia – p. 2

Defence of Narrow Seas in  
Southeast Asia - 3

**Naval Development &  
Policy:**

Tension Rises Over China's  
Disputed Sea Claims  
– p. 4

**Maritime Safety &  
Security:**

Naval forces warn Indian  
Ocean still dangerous – p.8

**Shipping, Ports, & the  
Maritime Economy:**

Global shipbuilding market  
lead by Asian countries – p.  
12

## Table of Contents

<b>MSP PERSPECTIVES .....</b>	<b>1</b>
<b>Understanding China's Maritime Counter-pivot .....</b>	<b>1</b>
China's Aircraft Carrier: Implications for Southeast Asia .....	2
Defence of Narrow Seas in Southeast Asia .....	3
<b>NAVAL DEVELOPMENT &amp; POLICY.....</b>	<b>4</b>
<b>Tension Rises Over China's Disputed Sea Claims .....</b>	<b>4</b>
South Korea, Japan suspend military exchange programme .....	4
Australian Navy conducts Exercise Kakadu 2012 .....	4
Australia moves to buy \$3b spy drone fleet.....	4
Indonesia Launches New Class of Large Trimaran Missile Boats .....	5
Taiwan strongly protests against Japan.....	5
Chinese Ships Enter Japanese-Controlled Waters to Protest Sale of Islands .....	5
US Navy to Boost Pacific Airborne Maritime Capabilities with New Drones and ASW Aircraft.....	5
More Protests in China Over Japan and Islands .....	5
Chinese, U.S. Ships Conduct Joint Anti-Piracy Drill.....	5
Chinese surveillance ships continue patrol around Diaoyu Islands.....	6
China Opens Naval Base to U.S. Defense Chief .....	6
U.S. Lifts Ban on New Zealand Naval Ships.....	6
China to promote drones for marine surveillance .....	6
U.S., Japan Train for Island Defense .....	6
China's first aircraft carrier commissioned.....	6
S. Korea Refuses Japan Port Call In Drill: Reports.....	7
Japan, Taiwan fire water cannons near disputed islands.....	7
<b>MARITIME SAFETY &amp; SECURITY .....</b>	<b>8</b>
<b>Naval forces warn Indian Ocean still dangerous .....</b>	<b>8</b>
Risk of miscalculations or accident rising in West Philippine Sea - security experts.....	8
Crewman Lost At Sea, Feared Murdered .....	8
Collision causes oil spill off western S'pore .....	8
Fishing boat capsizes off Karachi; 11 bodies recovered .....	8
Navy rescues asylum seekers near Java .....	9
Container Ship Erupts in Flames Off Mumbai .....	9
Vietnamese vessel detained for allegedly smuggling rice .....	9
China sends ships to islands claimed by Japan.....	9
Seven killed as ferry sinks off Southern Philippines .....	9
Pirates Caught Siphoning & Selling Bunker Fuel from Hijacked Ship Off Malaysia.....	9
S. Korea deployed fighter jet during maritime border incident.....	10
Collision at sea leaves three from fishing boat dead.....	10
Another Attack at Singapore, Malaysia Border Waters .....	10
S. Korea's Lee warns of 'growing' maritime threats .....	10
Maritime tool to help ships in Singapore, Malacca straits .....	10
Over 200 rescued after Indonesian ferry accident .....	10
Hong Kong Ferry Crash: Dozens Killed As Charter Boat Hits Ferry, Sinks Near Lamma Island.....	11
<b>SHIPPING, PORTS, &amp; THE MARITIME ECONOMY.....</b>	<b>12</b>
<b>Global shipbuilding market lead by Asian countries .....</b>	<b>12</b>
Abu Dhabi launches new port, may compete with Dubai .....	12
Pakistan in talks to hand Gwadar port to China .....	12
Bangladesh pins hope on Chittagong port .....	12
China-wide port box volume up 8.6 percent.....	13

Japan Shipping Report Q1 2012 - new market research report.....	13
4 new maritime academies to be set up soon: Minister .....	13
Freeing coastal shipping .....	13
Iran parks oil off Malaysia to dodge Western sanctions .....	13
JNPT terminal: Singapore firm under flak for failing to sign.....	13
New Infrastructure and Demand Buoy ASEAN Cruise Sector.....	14
Port cleared to dredge for giant ships .....	14
U.S. Port of Miami’s Win-Win Relationship with China and Greater Asia.....	14
Still in the Red.....	14
Chinese shippers place order for 50 supertankers.....	14
Vitol JV VTTI studies doubling Fujairah oil storage space.....	15

## Notes

Please click on the links for the full report. All links and news reports are correct at the time of publication. Through this bulletin, you will be linked to external websites. We have no control over the nature, content, and availability of those sites. The inclusion of any links does not necessarily imply a recommendation or endorsement of the views expressed within them.

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## Maritime Security Programme, RSIS

### Editorial Team

Jane Chan

Ristian Atriandi Supriyanto

Lim Chee Kia

Joash Loh

## Contact Us

For comments /  
suggestions /requests,  
kindly write to us at

[RSISMSP@ntu.edu.sg](mailto:RSISMSP@ntu.edu.sg)

# MSP Perspectives

## Understanding China's Maritime Counter-pivot

By Euan Graham  
Senior Fellow

Domestic political drivers and weak leadership in Japan and China have brought nationalist tensions to the boil over the territorial dispute over the [Diaoyu/Senkaku Islands](#) in the East China Sea. That said, a strategic narrative may be overlaid on the prevailing "reactive" and "emotive" explanations of China's forceful response to Japan's "nationalisation" of the islands. This casts China's behaviour in a more systemic light, as a deliberate counter to the US "pivot" to Asia.

To understand China's comprehensive modus operandi, we must rewind to April 2012, the start of the China-Philippines altercation over Scarborough Shoal in the South China Sea. China's response there was "reactive" too. Beijing's counter to the Philippine navy's interception of Chinese fishing vessels around the shoal was to dispatch a law-enforcement flotilla in a concerted deployment that Manila could not match. These "crowding-out" tactics sent a clear signal of China's will to assert its sovereignty claims below the threshold of military force. Unofficial trade sanctions were rolled out in tandem.

The drawn-out deployment at Scarborough Shoal also served as a litmus test for ASEAN's cohesion and the strength of US-Philippine alliance relations. While ASEAN's divisions were laid bare, Washington's support for Manila also fell short of the unequivocal security assurances that Philippine officials had sought. Some Chinese observers concluded that the US pivot had been probed and an opening found.

Japan's maritime capabilities are a much closer match to China's than the Philippines'. Nonetheless, China's modus operandi in the East China Sea resembles a scaled-up version of the Scarborough Shoal operation, again involving ships from the various civilian enforcement agencies. When challenged within Japan's territorial waters, Chinese patrol vessels have

reversed course. But the basic intention appears unchanged: to maintain a rotating presence to assert sovereignty within contested waters, while avoiding armed force. China's resort to de facto economic sanctions against Japan follows the same pattern.

Yet the variable geometry of the triangular US-Japan-China relationship is such that China could plausibly conclude that Washington, drawn by Japan's domestic politics into an "unnecessary" regional crisis ahead of a US presidential election, will urge compromise upon Tokyo. The strategic appeal in China of wedge-driving within Washington's pre-eminent Asian alliance is an alluring antidote to the pivot. And, as in Scarborough Shoal, the courage of Beijing's convictions flows in proportion to its self-perception as the injured party.

Taiwan's entry into the fray only complicates matters for Washington and Tokyo. Taiwan's recent maritime protests, although directed at fishing rights around the islands, are a "free gift" for Beijing. Taipei's mirror-image claims in the East and South China seas have increasingly put Beijing and

Taipei in lock-step. This dynamic is itself a powerful motivation for China to maintain course. Following a respite brought by bad weather, early October saw the return of Chinese patrol ships around the islands.

For ASEAN, sustained tensions in the East China Sea could have an unexpected upside. One strategic dictum that might transcend China's default "reactive assertiveness" in the maritime domain is the problem of fighting on two fronts simultaneously. If China's transitional leadership is sensitive to this risk, a period of tactical moderation in the South China Sea could be in store for as long as the dispute with Japan dominates. However, proof of this remains some way off in the run-up to November's ASEAN-hosted East Asia Summit. Until then, China's strategic focus is likely to remain on the East China Sea.

*For ASEAN ... a period of tactical moderation in the South China Sea could be in store for as long as the dispute with Japan dominates*

(A longer version of this article appeared in the Straits Times, 1 October 2012)

## China's Aircraft Carrier: Implications for Southeast Asia

By Koh Swee Lean Colin

Associate Research Fellow, Military Transformation Programme

The induction into service of China's first aircraft carrier, the Liaoning could provoke regional concerns in regard to whether China would use its newfound capability against competing claimants in its maritime disputes.

The accepted consensus amongst naval analysts is that building a full-fledged carrier capability takes time. Other than the aircraft carrier, it involves providing supporting elements such as escorting warships, replenishment vessels and a fully-developed carrier-borne aviation complement to constitute a carrier battle group (CBG). A CBG is still not considered a fully-operational fighting force until the necessary doctrine and operational and technical knowhow of carrier operations are acquired, diffused and mustered throughout the entire CBG. The time taken for a whole CBG to train to operate together as one cohesive fighting force can be considerably lengthy.

Moreover, the Southeast Asian maritime confines, characterised by narrow and semi-enclosed waters, do not favour the operation of large-sized carriers. A typical CBG presents a large and highly visible target with its accompanying fleet train, which increases its vulnerability to detection. In confined littorals, large warships could be particularly vulnerable to well-concealed asymmetric countermeasures, exploiting local geography, such as submarines and long-range missiles.

Given that a full-fledged CBG capability for China will require more time to materialise, it is premature to strike the alarm bells; the actual use of a carrier is arguably more crucial than the mere possession of it. And it could have a benign impact as well. Prior to the 2004 Indian Ocean tsunami for instance, Singapore's force of new Endurance-class amphibious landing ships projected a somewhat aggressive image but their

humanitarian deployment off Aceh in the aftermath of the disaster aptly demonstrated that these otherwise offensive-looking platforms do have their benign aspect.

The Americans for instance deployed their carriers to good effect after the 2004 tsunami and the 2011 East Japan Sea tsunami. The Thai Navy used her 'pocket carrier' RTNS Chakri Naruebet for the southern floods disaster relief. The Chinese could take note of these instances and strive to utilise its future carrier capabilities for such benign purposes. In fact, Beijing should be aware of the peaceful utility of such large naval platforms, as its hospital ship Anwei had demonstrated in its international goodwill voyages.

China has been relying increasingly on lightly-equipped civilian law-enforcement vessels instead of PLAN warships for asserting its maritime claims and this trend is projected to continue as China rapidly builds up such capacities. In times when its emergence as a great power has come under intense international scrutiny, the last thing Beijing would want is to be seen as overly aggressive by exploiting its newfound naval might. The deliberate low-profile induction of this first aircraft carrier is one such gesture of China's reluctance to be portrayed as using disproportionate force in its exercise of gunboat diplomacy. Also, China could achieve greater efficacy and credibility can be achieved through 'less glamorous' power projection capabilities such as its expanding amphibious assault forces. In the shorter term, these aspects instead of the carrier programme deserve greater attention of China's Southeast Asian neighbours.

*In times when its emergence as a great power has come under intense international scrutiny, the last thing Beijing would want is to be seen as overly aggressive by exploiting its newfound naval might.*

For a longer version of this article, please see [RSIS Commentary No. 183/2012](#)

## Defence of Narrow Seas in Southeast Asia

By Ristian Atriandi Supriyanto  
Senior Analyst

Southeast Asian states are pursuing an unprecedented level of naval modernisation and are set to spend more than [US\\$25 billion on new naval acquisitions through 2030](#) with the core of future projects to include fast attack craft and submarines. However, the configuration of Southeast Asian seas as enclosed and narrow seas could affect and influence maritime defence in the area. Milan Vego of the US Naval War College defines narrow seas as “bodies of water that can be controlled from both its sides”. As such, maritime forces operating in narrow seas are much less immune from the land-based weapons of coastal states than in open seas.

Defence of narrow seas is primarily characterised by two caveats: The lack of physical space and closer proximity to land. As Vego asserts, these would bring consequences for maritime forces in terms of their manoeuvrability, combat intensity, battlespace spectrums, and the use of airpower. In narrow seas, large surface combatants are much more difficult to manoeuvre. Since narrow seas are within the effective range of land-based weapons, maritime combat operations will be more saturated, intense and multi-dimensional. Coastal states are able to challenge sea control and conduct sea denial operations without actually having robust naval combat assets at sea. It is also in narrow seas that a weaker coastal state can effectively challenge a superior maritime power using an array of “asymmetric” maritime capabilities such as naval mines, coastal missile batteries, and submarines.

In Southeast Asia, there is no shortage of narrow seas to influence regional maritime defence. Historical precedents from World War II offer salutary examples of defence in narrow seas. The capital ships of the

British Royal Navy, the HMS Prince of Wales and Repulse, were sunk entirely from the air for the first time in combat in the South China Sea by Japanese bombers off the east coast of Malaya. Hence, control over narrow seas often requires control over the air above and water column below.

The Southeast Asian coastal states have been making substantial naval acquisition. Indonesia, Singapore, Malaysia and Vietnam had already acquired submarines while Thailand and Philippines are also mulling at similar acquisition. Maritime strike aircraft such as the Sukhoi Su-30 have been added to the inventories of Indonesia, Malaysia and Vietnam. The Philippines would also start procuring fighter and surface attack aircraft. Vietnam has acquired two Russian Bastion coastal missile systems that could hit a ship 300 km away from the coast. For Indonesia, naval mine warfare has been designated as a crucial element of its naval strategy.

More importantly, coastal states could also exploit the islands in the area by building infrastructures to support exertion of sea control over the surrounding waters. Control over maritime choke-points and passes are also crucial as they guarantee access for maritime powers to transit in regional narrow seas.

However this development should not be a cause for alarm. Regional maritime forces still have a long way to go to transform platforms into real capabilities. There are some important questions about their capacities to effectively operate them, ensure safety during their operational use, as well as quality maintenance. Unless these questions are properly addressed, one should doubt the utility of these capabilities beyond being a psychological deterrent.

Regional maritime forces still have a long way to go to transform platforms into real capabilities. There are some important questions about their capacities to effectively operate them, ensure safety during their operational use, as well as quality maintenance. Unless these questions are properly addressed, one should doubt the utility of these capabilities beyond being a psychological deterrent.

# Naval Development & Policy

CHINA-U.S. | 8 SEPTEMBER | DEFENSE NEWS

## Tension Rises Over China's Disputed Sea Claims

TAIPEI — It goes by several names: Nine Dashed Lines. The U-shaped Line. The Cow Tongue. But whatever you call it, China's controversial territorial claim is at the heart of a simmering dispute among the nations that ring the South China Sea. That dispute was on full display last week, after China rejected calls by U.S. Secretary of State Hillary Clinton to find agreement on the maritime borders.

[Full Report](#)

JAPAN – S. KOREA | 3 SEPTEMBER | CHANNEL NEWS ASIA

## South Korea, Japan suspend military exchange programme

SEOUL: South Korea and Japan have temporarily suspended a military exchange programme amid a territorial row over a set of disputed islands, defence officials said on Monday. Japanese naval and air force commanders suspended trips to South Korea, which had been scheduled to start on Monday as part of a military exchange programme, the South's defence ministry said. South Korea will also suspend similar trips to Japan by its commanders, a ministry spokesman told AFP.

[Full Report](#)

AUSTRALIA | 4 SEPTEMBER | NAVAL-TECHNOLOGY

## Australian Navy conducts Exercise Kakadu 2012

The Royal Australian Navy (RAN) is conducting a military training in Exercise Kakadu 2012 off the coast of Darwin, Australia, to boost interoperability among participating naval forces in a regional coalition environment. About 15 ships and 2,000 defence

personnel from Australia, Brunei, Indonesia, Japan, New Zealand, Singapore and Thailand are participating in the exercise.

[Full Report](#)

AUSTRALIA | 4 SEPTEMBER | ABC NEWS

## Australia moves to buy \$3b spy drone fleet

The Australian Defence Force is quietly resurrecting plans to buy seven huge intelligence and surveillance drones that could cost up to \$3 billion. The unmanned aerial vehicles will be used for maritime surveillance and intercepting asylum seeker boats. The decision comes despite claims that the Royal Australian Air Force's top commanders have long opposed the acquisition of unmanned aerial vehicles because they will put pilots out of a job and threaten RAAF culture.

[Full Report](#)

INDONESIA | 4 SEPTEMBER | DEFENSE MEDIA NETWORK

### **Indonesia Launches New Class of Large Trimaran Missile Boats**

Indonesia's North Sea Boats (also known as PT Lundin Industry Invest) launched the first of four new Klewang-class trimaran missile boats for the Indonesian Navy (TNI AL) on Aug. 31, 2012 at its Banyuwangi facility. The 63-meter long, wave piercing trimaran, also known as the X3K, is built of composites using infused vinylester carbon fiber-cored sandwich materials for light weight, strength, and good corrosion resistance, as well as low-observability from reduced signatures. It also has an integrated mast system.

[Full Report](#)

JAPAN-TAIWAN | 11 SEPTEMBER | CHINA DAILY

### **Taiwan strongly protests against Japan**

TAIPEI - Taiwan's leader, officials and media have strongly protested against Japan's move to "purchase" parts of the Diaoyu Islands. Japan's Chief Cabinet Secretary Osamu Fujimura announced Monday afternoon that the Japanese central government had reached an agreement with the proclaimed "owners" to buy three of the five uninhabited islands. Japanese media reported on Tuesday that the Japanese government had signed the contract over the "purchase."

[Full Report](#)

CHINA - JAPAN | 14 SEPTEMBER 2012 | THE NEW YORK TIMES

### **Chinese Ships Enter Japanese-Controlled Waters to Protest Sale of Islands**

TOKYO — Six Chinese maritime patrol vessels entered Japanese-controlled waters around a group of disputed islands on Friday in the first such move by China since the Japanese government announced that it had bought the islands this week, the Japanese Coast Guard said. The coast guard said one of its patrol ships tried to warn off the Chinese vessels, which later left

the area. In Tokyo, Prime Minister Yoshihiko Noda met with advisers at his office's crisis management center, while the Foreign Ministry summoned the Chinese ambassador to protest.

[Full Report](#)

U.S. & PACIFIC | 17 SEPTEMBER | DEFENSE UPDATE

### **US Navy to Boost Pacific Airborne Maritime Capabilities with New Drones and ASW Aircraft**

The United States Navy is planning to deploy Northrop Grumman MQ-4C Triton Broad-Area Maritime Surveillance (BAMS) drones to Andersen Air Force Base in Guam with preparations for deployment projected to begin during Fiscal Year 2014 (FY14). The MQ-4C Triton, only recently introduced, is a large, unmanned drone designed to provide enhanced maritime surveillance in coordination with the Navy's P-3C Orion and P-8A Poseidon maritime surveillance/anti-submarine aircraft.

[Full Report](#)

CHINA-JAPAN | 18 SEPTEMBER | THE NEW YORK TIMES

### **More Protests in China Over Japan and Islands**

BEIJING — China drove home its opposition to Japanese control of a contested group of islands on Tuesday, with angry protests in dozens of cities and a warning from its defense minister that "further actions" were possible. The protests were large and sometimes angry, but appeared much better controlled than those over the weekend, which included extensive rioting and vandalism. Many Japanese businesses closed for the day, and a strong police presence seemed to prevent damage.

[Full Report](#)

CHINA-U.S. | 18 SEPTEMBER | DEFENSE NEWS

### **Chinese, U.S. Ships Conduct Joint Anti-Piracy Drill**

BEIJING — Chinese and U.S. naval vessels have conducted their first joint anti-piracy exercise in the

Gulf of Aden, officials said Sept. 18, citing the drill as a sign of improving security ties. The five-hour drill featured a Chinese missile frigate, the Yi Yang, and American guided missile destroyer the USS Winston S. Churchill, the U.S. Navy and Chinese state media said.

[Full Report](#)

CHINA-JAPAN | 19 SEPTEMBER | XINHUA

[Full Report](#)

### **Chinese surveillance ships continue patrol around Diaoyu Islands**

BEIJING, Sept. 18 (Xinhua) -- Chinese marine surveillance ships continued patrol and law enforcement activities around the Diaoyu Islands on Tuesday, the State Oceanic Administration (SOA) said. During the patrol, the Chinese surveillance ships (10 in total) encountered interception from the Japanese side. Japan sent six vessels and three planes (a fixed-wing plane, a helicopter and an anti-submarine reconnaissance aircraft) to the area, according to the SOA.

[Full Report](#)

CHINA – U.S. | 20 SEPTEMBER | DEFENSE NEWS

### **China Opens Naval Base to U.S. Defense Chief**

QINGDAO, China — U.S. Defense Secretary Leon Panetta had a rare first-hand look inside a Chinese naval base Sept. 20, as Washington pushes security dialogue with a country that could rival its power in the Pacific. On the third day of his visit to China, Panetta flew to the eastern port of Qingdao, home to the headquarters of the Chinese navy's northern fleet, becoming the first Pentagon chief to set foot inside the facility.

[Full Report](#)

U.S. – NEW ZEALAND | 21 SEPTEMBER | DEFENSE NEWS

### **U.S. Lifts Ban on New Zealand Naval Ships**

AUCKLAND — The United States has lifted a ban that prevented New Zealand naval ships from visiting U.S.

ports or bases since the 1980s, Defense Secretary Leon Panetta said Sept. 21, hailing a “new era” in relations between the two nations. The policy change, part of efforts to bolster security ties, will “allow the U.S. Secretary of Defense to authorize individual visits to Department of Defense or Coast Guard facilities in the United States and around the world,” he said.

CHINA-U.S. | 23 SEPTEMBER | XINHUA

### **China to promote drones for marine surveillance**

LIANYUNGANG, Sept. 23 (Xinhua) -- China will promote the use of drones, or unmanned aerial vehicles (UAVs), to strengthen the nation's marine surveillance, the State Oceanic Administration (SOA) said on Sunday. The SOA verified and accepted a pilot program of using drones to undertake remote-sensing marine surveillance in Lianyungang, a coastal city in eastern Jiangsu Province on Sunday.

[Full Report](#)

U.S. - JAPAN | 24 SEPTEMBER | WALL STREET JOURNAL

### **U.S., Japan Train for Island Defense**

GUAM—Japan's military is sharpening its skills at defending remote islands with the help of U.S. troops, as Tokyo faces an increasingly contentious dispute with China. In a move that signals how the two allies are adjusting their defense cooperation to counter Beijing's growing territorial ambitions in the Western Pacific, troops from Japan's Ground Self Defense Force since mid-August have been receiving training on amphibious military tactics from the U.S. Marine Corps.

[Full Report](#)

CHINA | 25 SEPTEMBER | XINHUA

### **China's first aircraft carrier commissioned**

DALIAN, Sept. 25 (Xinhua) -- China's first aircraft carrier was delivered and commissioned to the People's Liberation Army (PLA) Navy Tuesday after years of refitting and sea trials. Overseen by President Hu

Jintao and Premier Wen Jiabao, the carrier was officially handed over by the navy's main contractor, the China Shipbuilding Industry Corporation, at a ceremony held at a naval base in northeast China's port city of Dalian.

[Full Report](#)

S. KOREA - JAPAN | 25 SEPTEMBER | DEFENSE NEWS

### **S. Korea Refuses Japan Port Call In Drill: Reports**

TOKYO — South Korea is refusing to allow a Japanese warship to dock at its port during a joint naval exercise, media said on Sept. 25, as ties between the pair remain strained over disputed islands. Tokyo has lodged a protest with Seoul over the refusal during an exercise that also involves the U.S. and Australia, reports said, with one diplomat calling it “extremely rude”. The four-nation drill, scheduled to take place Sept. 26-27, is aimed at coordinating a response to possible trafficking of weapons of mass destruction, Japanese defense officials said.

[Full Report](#)

JAPAN-TAIWAN | 25 SEPTEMBER |  
CHANNELNEWSASIA

### **Japan, Taiwan fire water cannons near disputed islands**

TOKYO: Coastguard vessels from Japan and Taiwan duelled with water cannons on Tuesday after dozens of Taiwanese boats escorted by patrol ships sailed into waters around Tokyo-controlled islands. Japanese coastguard ships sprayed water at the fishing vessels, footage on national broadcaster NHK showed, with the Taiwanese patrol boats retaliating by directing their own high-pressure hoses at the Japanese ships.

[Full Report](#)

# Maritime Safety and Security



INDIAN OCEAN | 4 SEP | GLOBAL TIMES

## Naval forces warn Indian Ocean still dangerous

International anti-piracy naval task forces operating in the Indian Ocean on Monday warned shippers to continue with their high security measures despite over 50 percent drop in the number of attacks in the first half of 2012. International Maritime Bureau reported recently that piracy activity in the Indian Ocean dropped by 60 percent in the first six months of 2012 compared to the same stretch last year, from 163 incidents to 69.

[Full Report](#)

MANILA | 5 SEP | PHILSTAR

## Risk of miscalculations or accident rising in West Philippine Sea - security experts

MANILA, Philippines - Risk of miscalculations or accident is rising in the disputed waters of the West Philippine Sea (South China Sea) as claimant countries are nearing the red lines that have been drawn, security experts in the Asia-Pacific Region said. "The margin of error is narrowing," David Arase, professor of Politics at Pomona College and the Hopkins-Nanjing Center at Nanjing University in a security paper said.

[Full Report](#)

TIMOR SEA | 7 SEP | THE MARITIME EXECUTIVE

## Crewman Lost At Sea, Feared Murdered

International Transport Federation co-ordinator Dean Summers said the Filipino crewman had gone missing from the vessel Sage Sagittarius at the weekend in the Timor Sea. The ship had been scheduled to load in Newcastle next week but was diverted by authorities and was expected to dock today in Port Kembla. The

Australian Federal Police said last night they were investigating the case and had been alerted to problems on the ship on Sunday by the Australian Maritime Safety Authority.

[Full Report](#)

SINGAPORE | 9 SEP | ASIAONE

## Collision causes oil spill off western S'pore

A collision between two bulk carriers caused an oil spill on the western side of Singapore this afternoon. About 2pm today, the Maritime and Port Authority (MPA) received a report that a Hong Kong-registered bulk carrier "Sunny Horizon" collided with a Korean-registered Liquefied Petroleum Gas carrier "DL Salvia" at the Temasek Fairway.

[Full Report](#)

KARACHI | 10 SEP | DAWN.COM

## Fishing boat capsizes off Karachi; 11 bodies recovered

A fishing boat off the shore of Karachi carrying 37 fishermen capsized due to high tides late Sunday night, killing at least 11 on board. The boat had sailed out

from Karachi's Ibrahim Hyderi coastal village. 15 fishermen were rescued while the bodies of 11 fishermen were retrieved during search. According to Sindh Minister for Fisheries Zahid Ali Bhurgari, the Maritime Security Agency had managed to recover 11 bodies from the sea so far, while it was searching for the rest of the missing fishermen.

[Full Report](#)

AUSTRALIA | 10 SEP | SYDNER MORNING HERALD

### **Navy rescues asylum seekers near Java**

Two Australian navy patrol boats have rescued 80 asylum seekers from a boat that was in distress off the coast of Java. The Australian Maritime Safety Authority (AMSA) received information early on Sunday morning that the boat was in trouble. Australia co-ordinated the rescue with assistance from Indonesia's search and rescue agency BASARNAS.

[Full Report](#)

MUMBAI | 10 SEP | THE MARITIME EXECUTIVE

### **Container Ship Erupts in Flames Off Mumbai**

A major ship fire erupted on the MV Amsterdam Bridge over the weekend off the coast of Mumbai. The blaze has fortunately been contained and cooling operations are ongoing aboard the Colombo-bound merchant vessel. The entire 20-man crew is safe. Indian Coast Guard officials confirm that the flames are contained, but not yet fully extinguished. Thick smoke continues to rise from the vessel and fire-fighting is underway.

[Full Report](#)

PHILIPPINES | 11 SEP | SUN STAR

### **Vietnamese vessel detained for allegedly smuggling rice**

Authorities have detained a cargo vessel bearing the Vietnamese flag for allegedly carrying undocumented rice cargoes onboard along with several maritime safety violations, the Philippine Coast Guard (PGC) said. The

ship MV Minh Tuan 68 which carries 16 crew members is currently anchored at the vicinity waters of Albay Gulf pending the presentation of documents required by the government.

[Full Report](#)

BEIJING | 12 SEP | TODAYONLINE

### **China sends ships to islands claimed by Japan**

China's Defence Ministry yesterday vowed to guard its territorial sovereignty as Beijing sent two patrol ships near a disputed group of islands in the East China Sea that have been bought by the Japanese government, the most serious escalation in the dispute to date. The strong statements out of China prompted Japanese Prime Minister Yoshihiko Noda to put Japan's Self-Defence Forces on alert to deal with any emergency, although no reference was made to China's warnings.

[Full Report](#)

MANILA | 20 SEP | GULFNEWS

### **Seven killed as ferry sinks off Southern Philippines**

At least seven people were killed after a ferry carrying dozens of passengers sank off the coast of Southern Philippines' Tawi-Tawi, a report reaching the Philippine capital said. National Disaster Risk Reduction and Management Council (NDRRMC) executive director Benito Ramos said the motor temper, Seraina bound for the town of Bongao from the island of Sipangkot in Sitangkai on September 18, when the wooden hulled boat was battered by huge waves.

[Full Report](#)

MALAYSIA | 20 SEP | THE MARITIME EXECUTIVE

### **Pirates Caught Siphoning & Selling Bunker Fuel from Hijacked Ship Off Malaysia**

The Malaysian Maritime Enforcement Agency (MMEA) recently foiled an attempt by six pirates from syphoning off and selling bunker fuel from a hijacked vessel in local waters. MMEA officials noticed uncommon ship-to-ship activity between MT Scorpio and MT Sea Jade. As a nearby MMEA patrol boat started to move

towards the two vessels, six masked men were seen escaping in a wooden boat equipped with a high-powered engine, which was next to MT Scorpio.

[Full Report](#)

SEOUL| 22 SEP | YONHAP NEWS

### **S. Korea deployed fighter jet during maritime border incident**

The South Korean military deployed a fighter jet when its Navy fired warning shots toward North Korean fishing boats that crossed the maritime boundary, a military source said Friday. On Friday, South Korean patrol boats fired warning shots toward six North Korean fishing vessels that crossed the so-called Northern Limit Line (NLL) in the latest of a series of incursions in the tensely guarded Yellow Sea. All North Korean boats retreated upon the warning shots.

[Full Report](#)

MACAO| 24 SEP | CHINA DAILY

### **Collision at sea leaves three from fishing boat dead**

A fishing boat sunk in Macao after colliding with a cargo ship Saturday night, leaving three people dead, according to authorities. After the collision at 10:30 pm, the fishing boat's captain and four others aboard were rescued on Saturday by divers and boats dispatched by the Maritime Administration and Macao Customs Service. Three men, from the Chinese mainland, remained missing.

[Full Report](#)

SINGAPORE/MALAYSIA| 25 SEP | SHIP & BUNKER

### **Another Attack at Singapore, Malaysia Border Waters**

At 10:30pm on Saturday eight men armed with machetes and a gun attacked a Mongolian registered tanker said to be carrying some 7,000 metric tonnes of marine fuel oil about 0.1 nautical mile from the Malaysia-Singapore border waters, the Malaysian Maritime Enforcement Agency (MMEA) has said in a statement. MMEA southern region enforcement chief

First Admiral Adon Shalan said he believed the pirates were attempting to steal the fuel from the MT Bintag as per a similar incident involving the MT Scorpio earlier in the month.

[Full Report](#)

SEOUL| 25 SEP | CHINA POST

### **S. Korea's Lee warns of 'growing' maritime threats**

South Korean President Lee Myung-bak warned on Monday of "growing threats" to the country's maritime security, posed by North Korea and regional territorial disputes over isolated island chains. South Korean naval patrol boats fired warning shots on Friday at six North Korean fishing boats that crossed the disputed Yellow Sea border, the latest in a series of similar incursions.

[Full Report](#)

SINGAPORE| 25 SEP | STRAITS TIME

### **Maritime tool to help ships in Singapore, Malacca straits**

With more than 70,000 ships using the straits of Malacca and Singapore each year, safe passage is a key concern and the focus of a new collaboration between Singapore, Malaysia and Indonesia. The initiative called Marine Electronic Highway, to be rolled out in 2013, will relay real-time data - on winds, weather and currents - to ships from maritime information centres in the three countries. Ships will also be alerted to the locations of protected natural areas and coral reefs. The project was launched on Monday by Transport Minister Lui Tuck Yew, guest of honour at a maritime conference.

Full Report Available Upon Request

JAKARTA| 27 SEP | EMIRATES 24/7

### **Over 200 rescued after Indonesian ferry accident**

Rescuers continued to search Indonesian waters Thursday for people reported missing after a ferry collided with another ship and sank, with officials fearing some were trapped in cars on the wrecked

vessel. At least eight people were killed in Wednesday's accident, most likely drowning after jumping into the sea without life jackets, said Heru Purwanto, an official at Bakauheni port on southern Sumatra.

[Full Report](#)

HONG KONG | 1 OCT | HUFFINGTONPOST

**Hong Kong Ferry Crash: Dozens Killed As Charter Boat Hits Ferry, Sinks Near Lamma Island**

Police arrested seven crew members from two boats that collided in Hong Kong waters, killing 38 holiday revelers, but offered no explanation about how the vessels ran into each other on a clear night in one of the safest and most regulated waterways in Asia. The Monday night crash was Hong Kong's deadliest accident in more than 15 years and its worst maritime accident in more than 40. Some relatives of the dead went to the scene off Hong Kong island's southwestern coast to toss spirit money in honor of the victims on Tuesday, while others waited at the morgue for news about loved ones.

[Full Report](#)

# Shipping, Ports, and the Maritime Economy

WORLD-ASIA | 20 SEPT | TRANS WORLD NEWS

## Global shipbuilding market lead by Asian countries

The global shipbuilding industry is characterized by cyclic growth witnessing many crests and troughs since 1960s. The industry enjoyed a boom period from 2003-2007, while a sudden contraction was observed in the shipbuilding activities during 2008-2009 amid the severe economic and financial crisis, which engulfed the entire world.

[Full Report](#)

ABU DHABI | 1 SEPT | REUTERS

## Abu Dhabi launches new port, may compete with Dubai

Abu Dhabi launched operations at a multi-billion dollar port facility on Saturday, seeking to diversify its oil-based economy with a project that could intensify competition for the region's shipping traffic with neighbouring emirate Dubai. Abu Dhabi Ports Co (ADPC) said Khalifa Port, built on a man-made island in the Taweelah area, and its adjacent Khalifa Industrial Zone would together be two-thirds the size of Singapore when fully built.

[Full Report](#)

PAKISTAN | 1 SEPT | PAK TRIBUNE

## Pakistan in talks to hand Gwadar port to China

LAHORE: Pakistan is planning to transfer operational control of its strategically important Gwadar Port from Singapore's PSA International to a Chinese company, Financial Times on Friday quoted a minister as saying. "We have reached an agreement with PSA where they have decided to leave the port at Gwadar. They are in

discussions with a possible Chinese investor," Ports And Shipping Minister Babar Khan Ghauri told FT in an interview. Gwadar, built with the help of a loan from China, is close to the Pakistan-Iran border and the Strait of Hormuz, through which much of the Gulf's oil exports are carried by ship to international markets.

[Full Report](#)

BANGLADESH | 3 SEPT | BBC

## Bangladesh pins hope on Chittagong port

Bangladesh has become a global leader in clothing exports in recent years. One of the reasons attributed to this success story is the main Chittagong port in the south of the country. Chittagong port handles more than 80% of the country's imports and exports making it the prime port of Bangladesh. Situated on the Karnaphuli river, close to the Bay of Bengal, Chittagong port is described as the lifeline of the Bangladeshi economy.

[Full Report](#)

CHINA | 7 SEPT | TRANSPORT WEEKLY

### **China-wide port box volume up 8.6 percent**

The global port's throughput growth slowed in the first half of the year, but remained stable and better than the economic trends, as the world economy struggled to cope with a downturn, according to the Shanghai International Shipping Institute (SISI). Global container throughput's growth rate came in at 6.8 per cent in the first half, but was down from 7.3 per cent in the same period last year, reported Xinhua. It is expected to increase at a slower pace in 2012 while China's container throughput is expected to register mild growth, said the SISI report.

[Full Report](#)

JAPAN | 7 SEPT | TRANS WORLD NEWS

### **Japan Shipping Report Q1 2012 - new market research report**

The earthquake and tsunami that struck Japan in March 2011, and the subsequent nuclear fallout scare, had a devastating effect on the Japanese shipping sector. Industries were hit and landside infrastructure was battered. Over the past quarter the Japanese ports sector has continued its recovery, and BMIs longterm view that there could be upside potential for Japanese facilities in terms of tonnage, if not container throughput, has begun to play out.

[Full Report](#)

BANGLADESH | 11 SEPT | UNB CONNECT

### **4 new maritime academies to be set up soon: Minister**

Shipping Minister Shajahan Khan on Tuesday said the government has taken an initiative to set up four maritime academies in the country to build more crew to meet the growing demand for seafarers. "Bangladesh, as a pioneer, has been playing a vital role in building crew in the shipping sector. The Executive Committee of the National Economic Council (Ecne) has already approved a project to set up four new

maritime academies to build more crew," he told a workshop at Hotel 71 in the city.

[Full Report](#)

INDIA | 11 SEPT | BUSINESS LINE

### **Freeing coastal shipping**

The Government's decision to liberalise the law that currently prevents foreign vessels to carry cargo between domestic ports (Cabotage regulations) is a welcome move, as it presages greater internal competition for coastal shipping. True, such relaxation, for now, would apply only in respect of cargo moving in and out of the container terminal at Vallarpadam in Kochi. Further, the cargo has to clearly emanate from a port outside India or, if sourced from a domestic port, its ultimate destination is abroad.

[Full Report](#)

MALAYSIA | 13 SEPT | REUTERS

### **Iran parks oil off Malaysia to dodge Western sanctions**

Iran is using a little-known port off the East Malaysia coast to hide millions of barrels of oil from Western sanctions, according to shipping data, industry sources and officials. A Reuters examination of shipping movements and interviews shows how Iranian crude is shipped to the area and loaded on to empty vessels at night to await potential Asian buyers. Storing the oil on hired tankers operating under the Panamanian flag in the calm waters off the tax-haven port of Labuan - an offshore financial centre about the size of Manhattan - means Iran can keep its own fleet active and ensure the flow of oil money into its struggling economy.

[Full Report](#)

INDIA | 14 SEPT | BUSINESS LINE

### **JNPT terminal: Singapore firm under flak for failing to sign**

The Government will take a tough stand against the Singapore port company PSA International, if it backs

out of signing the concession agreement to build the fourth container terminal at Jawaharlal Nehru Port, the Union Shipping Minister, G.K.Vasan, said on Friday. The consortium led by PSA and its local partner ABG Ports was awarded the Rs 6,700-crore project in last September. However, the consortium has failed to sign the contract till today.

[Full Report](#)

SOUTHEAST ASIA | 17 SEPT | EGLOBAL

### **New Infrastructure and Demand Buoy ASEAN Cruise Sector**

The cruise industry in Southeast Asia is set to grow, with the region's countries committed to upgrading its cruise infrastructure as intra-regional demand for cruising within ASEAN rises. Cruise lines are increasingly basing their ships in Southeast Asia which offers an ever more affluent market of 600 million people, heightened awareness and demand for cruising, greater intra-regional flight frequencies and streamlined airport-seaport connectivity.

[Full Report](#)

NEW ZEALAND | 19 SEPT | THE NEW ZEALAND HERALD

### **Port cleared to dredge for giant ships**

A High Court decision has cleared the way for the Port of Tauranga to dredge its shipping channel, making the harbour accessible to the biggest container ships ever to visit a New Zealand port. The giant ships can carry twice as many containers as vessels currently using the port, allowing importers and exporters to transport their goods at cheaper rates.

[Full Report](#)

US-CHINA-ASIA | 21 SEPT | CHINA BRIEFING

### **U.S. Port of Miami's Win-Win Relationship with China and Greater Asia**

Port Miami's new foreign trade zone, featuring a planned World Trade Center complex, represents an opportunity for Chinese multi-nationals to display

goods for the entire market of the Americas, as Miami is the center of trade and commerce for Latin America as well as the southeast United States. "We are much like Hong Kong in our trade patterns. A significant amount of Port Miami's international trade is re-export trade bound for Latin America," said Port Miami Assistant Director Kevin Lynskey.

[Full Report](#)

CHINA | 24 SEPT | BEIJING REVIEW

### **Still in the Red**

China COSCO Holdings Co., the world's second largest shipping company by fleet size which owns the world's biggest bulk cargo fleet, saw its losses in the first half of the year expand to 4.87 billion yuan (\$769.5 million) amid an industry downturn, according to its filing on the Shanghai Stock Exchange on August 30. The state-controlled shipping giant, whose businesses include container and dry bulk shipping and port operations, posted a deficit of 2.7 billion yuan (\$426.6 million) during the same period of 2011. For 2011, it incurred losses of 10.45 billion yuan (\$1.65 billion), making it the biggest loser on the A-share market.

[Full Report](#)

CHINA | 28 SEPT | THE ATLANTA JOURNAL-CONSTITUTION

### **Chinese shippers place order for 50 supertankers**

A group of state-owned Chinese shipping companies have placed a \$4.5 billion order for 50 supertankers, throwing a financial lifeline to China's struggling shipbuilders, a newspaper reported Friday. The order adds to a multibillion-dollar flurry of investments by state companies in recent weeks — a key element in Beijing's carefully controlled effort to reverse a painful economic slump. The government has approved a wave of spending on new steel mills, subway lines and other corporate and public works projects.

[Full Report](#)

UAE | 30 SEPT | REUTERS

### **Vitol JV VTTI studies doubling Fujairah oil storage space**

Vitol Tank Terminals International (VTTI) is studying almost doubling its oil storage capacity at the port of Fujairah, just outside the Strait of Hormuz, and could start construction by early 2014, a spokeswoman for VTTI said on Sunday. VTTI, jointly owned by the world's largest oil trader Vitol and Malaysian shipping company MISC Bhd, currently has 1.18 million cubic meters (mcm) of storage capacity in a total of 47 tanks. The Fujairah terminal is 90 percent owned by VTTI, while the government of Fujairah has a 10 percent stake.

[Full Report](#)