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MSP PERSPECTIVES



Naval Expansion in Southeast Asia: The Malaysia Case
Geoffrey Till, Visiting Professor, Maritime Security Programme

There is a widespread tendency for observers to get over-concerned at the processes of naval modernisation that are going on throughout Southeast Asia, and to imagine that they are driven by the same kind of impulses as in other rather more worrying parts of the Asia-Pacific region. People wonder whether bigger and more effective navies in the area will destabilise it - and fret about the prospects of a naval arms race. While, of course, this possibility cannot entirely be ruled out and needs to be guarded against because of the damage it could do, this preoccupation hides two other aspects of naval modernisation which are consequently neglected. The first is that naval modernisation is generally part and parcel of a wider drive towards a greater appreciation of the importance of the sea and of modernising the whole of the maritime sector. The second is the sheer scale of the challenges and problems that Southeast Asia countries face in modernising their navies. Both of these make simple assessments difficult, as recent developments in Malaysia show.

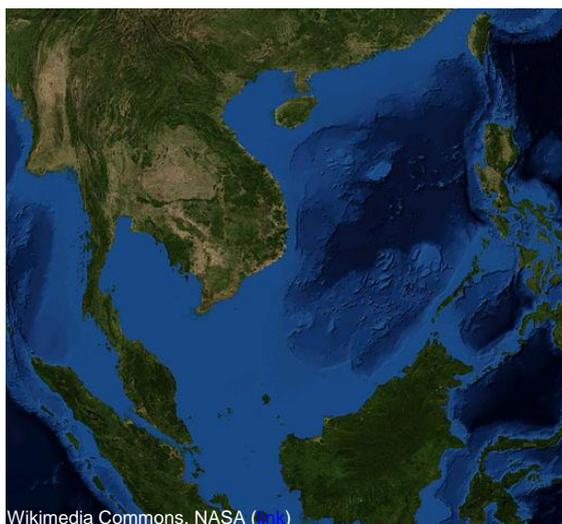
The news that the Royal Malaysian Navy is about to [deploy a converted merchant ship to act as a floating base in the Sulu sea to deter any recurrence of the Sabah incident of early 2014](#) shows that like all countries with finite naval budgets Malaysia has to choose between the threats it meets and to strike a sustainable balance between commitments and resources. This is far from easy for a country with such diversified maritime interests (not least because of Malaysia's maritime geography). It requires 'blue skies thinking' of the sort already demonstrated by its successful use of other converted merchant ships in the international anti-piracy campaign off Somalia. Developing this takes time and requires background investment, not just in ships and missiles, but in personnel development, professional military education, business procedures and the like - which all cost money.

But it doesn't avoid the need for choice. If Malaysia is to take its proper place in the much-discussed 21st Century Maritime Silk Road, it needs to develop its maritime infrastructure so that merchant ships call, rather than pass by. [China is one obvious source of](#)

[such investment capital](#) but, some wonder at what price this might come. Malaysia's attitude to what it regards as Chinese 'intrusions' into the James shoal area of the South China Sea seems very relaxed compared to the equivalent responses of the Philippines and Vietnam and no doubt spring from a desire to keep relations with such a powerful neighbour on an even keel for strategic as well as economic reasons, but should Chinese policy become more assertive (as recent land-reclamation efforts make many suspect they will) this balance will become even more difficult to sustain.

All countries face such dilemmas of course, perhaps small and medium powers especially. One solution might be for them to band together in common cause as ASEAN clearly seeks to do. But the [delays experienced in getting suspected pirates back from Vietnam](#) demonstrate the inevitable problems in the clearly necessary collective approach to problems at sea and raise the question of how far it is wise for countries to assume foreign cooperation when developing their maritime policy.

NAVAL DEVELOPMENT AND POLICY



ASEAN—CHINA | 31 JULY | REUTERS

China, Southeast Asia to set up hotline for South China Sea issues

China and Southeast Asian nations have agreed to set up a foreign ministers' hotline to tackle emergencies in the disputed South China Sea, a senior official of the ASEAN grouping told Reuters on Friday. China claims most of the potentially energy-rich sea, through which \$5 trillion in ship-borne trade passes every year, and rejects the rival claims of Vietnam, the Philippines, Brunei, Malaysia and Taiwan.

[Full Report](#)

CHINA | 2 JULY | REUTERS

China navy holds first missile combat resupply drill

China's navy held its first drill simulating the resupply of missiles in a combat environment in the Yellow Sea, the Defence Ministry said on Thursday, the latest indication of the country's growing military prowess.

[Full Report](#)

THAILAND | 2 JULY | BANGKOK POST

Thai Navy chooses Chinese-made submarines

The Royal Thai Navy has chosen Chinese-made models for its 36-billion-baht submarine project. For the price, it will also get three submarines, plus an eight-year weaponry and parts support package, as well as training.

[Full Report](#)

CHINA | 2 JULY | REUTERS

Images show Chinese airstrip on man-made Spratly island nearly finished

China has almost finished building a 3,000-metre-long (10,000-foot) airstrip on one of its artificial islands in the disputed Spratly archipelago of the South China Sea, new satellite photographs of the area show.

[Full Report](#)

SINGAPORE | 4 JULY | STRAITS TIMES

New S'pore-made warship launched

The first of Singapore's eight new locally built warships was launched yesterday. Littoral mission vessel (LMV) the Independence boasts high-tech systems that deliver quicker and greater firepower than existing patrol vessels, and require a smaller crew. Littoral mission vessels are ships that operate close to the shore.

[Full Report](#)

JAPAN—AUSTRALIA—UNITED STATES | 5 JULY | DEFENSE NEWS

Japan joins US-Australia war games amid China tensions

The United States and Australia kicked off a massive joint biennial military exercise on Sunday, with Japan taking part for the first time as tensions with China over territorial rows loom over the drills. The two-week "Talisman Sabre" exercise in the Northern Territory and Queensland state involves 30,000 personnel from the US and Australia practicing operations at sea, in the air and on land.

[Full Report](#)

INDONESIA | 8 JULY | TEMPO

New military commander to reinforce Indonesian Navy and Air Force

Newly inaugurated military commander Gen. Gatot Nurmantyo said that he would reinforce Indonesian Air Force and Navy in a bid to support President Joko "Jokowi" Widodo's vision of turning Indonesia into a maritime axis. According to Gatot, Indonesia has no other alternative except for developing and strengthening its Navy and Air Force to secure its future.

[Full Report](#)



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CHINA | 8 JULY | WANT CHINA TIMES (CENTRAL NEWS AGENCY)

Liaoning carrier's first battle group to be formed next year

China's first aircraft carrier battle group is expected to be formed next year to make up for the shortcoming of the limited combat radius of the country's existing fleets, according to China's official news agency Xinhua. Citing the Military-Industrial Courier, a Russia-based weekly, the report said China's first carrier, the Liaoning, embarked on its first blue-water passage in early 2014 escorted by 12 vessels of different classes.

[Full Report](#)

INDONESIA | 10 JULY | JAKARTA POST

Indonesian Government to build military base near South China Sea

The Indonesian government announced on Friday a plan to construct a new military base to guard border areas near South China Sea. Defence Ministry held a meeting on Friday with The National Development Planning Board (Bappenas) to discuss the plan.

[Full Report](#)

SINGAPORE—UNITED STATES | 13 JULY | STRAITS TIMES

Singapore and US navies launch joint sea drills

The Singapore and United States navies launched a joint maritime warfare exercise on Monday. About 1,400 soldiers and several battleships, submarines and aircraft from the Republic of Singapore Navy and the United States Navy and Marine Corps are involved in the 12-day exercise.

[Full Report](#)

INDIA—JAPAN—UNITED STATES | 13 JULY | TIMES OF INDIA

India shuns China, allows Japan in Malabar naval drill

Cocking a snook at China, India will now include Japan for its forthcoming Malabar naval exercise with the US in the Bay of Bengal in October. But India will host a separate bilateral naval exercise with Australia, which too was keen on joining Malabar, in September.

[Full Report](#)

INDIA | 14 JULY | ECONOMIC TIMES

Indian Navy aiming at 200-ship fleet by 2027

The Indian Navy is aiming to have a 200-ship fleet by 2027 as per a maritime capability perspective plan in order to guard interests and assets of the nation in waters around them, a top Naval officer said today. The Navy, which has 137 ships and submarines under its command, has been at the forefront of indigenisation, and is also in "exploratory talks" with Russia to see if some of the ships can be built with their collaboration so as to "expedite" the process.

[Full Report](#)

CHINA—JAPAN | 22 JULY | JAPAN TODAY

Japan demands China halt oil exploration in part of East China Sea

Japan called on China on Tuesday to halt construction of oil-and-gas exploration platforms in the East China Sea close to waters claimed by both nations, concerned that Chinese drills could tap reservoirs that

extend into Japanese territory. Japan's Defense Ministry added the demand to its annual defense review after hawkish members of the ruling party complained that its original draft was too soft on China, a ministry official said.

[Full Report](#)

CHINA | 22 JULY | CHINA DAILY

Chinese Navy starts exercise in S. China Sea

The Chinese navy announced 10 days of military training in the waters near eastern Hainan Island in the South China Sea starting on Wednesday, amid heightened tensions in the region.

[Full Report](#)

CHINA | 28 JULY | REUTERS

China says not planning military bases in the Maldives

China is not planning to build military bases on the Maldives, the foreign ministry said on Tuesday, after the Maldives allowed foreigners to own land despite opposition concern the reform could be used for military expansion by China.

[Full Report](#)

MARITIME SECURITY AND SAFETY



SINGAPORE | 21 JULY | CHANNEL NEWSASIA

New Singapore PCG boats to better intercept criminals

The Police Coast Guard (PCG) commissioned its new Patrol Interdiction Boats (PIB) and 2nd Generation PK Class High Speed Interceptors boats on Tuesday (Jul 21). These purpose-built boats are better designed and equipped to intercept illegal immigrants, terrorists and smugglers, even as the criminals become better equipped and organised - by using faster boats, employing the use of decoys, camouflage and swarming tactics, among others.

[Full Report](#)

ASEAN | 2 JULY | REUTERS

Southeast Asia plans fund to help migrants, but offers decried as inadequate

Southeast Asian nations proposed on Thursday setting up a fund to tackle illegal migration, in one of the first coordinated actions after thousands of "boat people" arrived on the region's shores, but rights groups dismissed the offers as mere tokens. And representatives of the Association of Southeast Asian Nations (ASEAN) who met in Kuala Lumpur gave no updates on efforts to rescue hundreds believed still stranded at sea.

[Full Report](#)

Korangi Fish Harbour in order to create synergy amongst various maritime stakeholders for generating collective responses to asymmetric challenges from sea especially threats to coastal infrastructure/assets.

[Full Report](#)

PHILIPPINES | 4 JULY | PHILIPPINE STAR

Philippine DOTC chief clears Coast Guard, blames boat captain

Secretary Joseph Emilio Abaya of the Department of Transportation and Communications (DOTC) maintained yesterday that the Philippine Coast Guard (PCG) was not remiss in its job in the country's latest sea tragedy that claimed over 50 lives.

[Full Report](#)

PAKISTAN | 4 JULY | THE NATION (PAKISTAN)

Pakistan Navy conducts coastal security exercise

Pakistan Navy conducted Coastal Security Exercise code named "Tahaffuz-e-Sahil" around areas of Karachi Harbour, Port Bin Qasim anchorage and

INDONESIA | 4 JULY | JAKARTA POST

Indonesian Ministry to take legal action against poachers

The government has stepped up its campaign against illegal, unreported and unregulated (IUU) fishing, as the Maritime Affairs and Fisheries Ministry is expected to take legal action against perpetrators of poaching-related activities.

[Full Report](#)



INDIA | 7 JULY | DECCAN CHRONICLE

Indian Coast Guard to induct 84 ships and aircraft

Indian Coast Guard would be inducting around 84 ships and crafts which are under construction at 8 different shipyards to strengthen the coastal security. Indian Coast Guard is fourth largest in the world with 118 ships and 63 aircrafts with over 10,000 officers and men.

[Full Report](#)

MALAYSIA | 8 JULY | MALAYSIAN DIGEST

'Tun Azizan' mobile naval base deployed to Sabah – Navy Chief

The Royal Malaysian Navy (RMN) has deployed the mobile naval base ship, Tun Azizan, to the Sulu Sea, in the Sabah eastern zone, as a measure to tighten security control of the country's territorial waters.

[Full Report](#)

INDIA—MAURITIUS | 11 JULY | ECONOMIC TIMES

INS Teg to undertake operations in EEZ of Mauritius

A stealth frigate of the Indian Navy, currently on a two-month long deployment in the South Indian Ocean, will undertake operations in Exclusive Economic Zone (EEZ) of Mauritius aiming to provide surveillance support in the region.

[Full Report](#)

TAIWAN—PHILIPPINES | 16 JULY | TAIPEI TIMES

Fisheries deal with Manila still under way: Taiwan ministry

Taipei and Manila are still seeking to ink an agreement to cooperate on law enforcement in fishery matters in their overlapping economic waters as soon as possible, the Ministry of Foreign Affairs said yesterday.

[Full Report](#)

MALAYSIA | 20 JULY | MALAY MAIL ONLINE

MMEA awaits Vietnam's approval to extradite MT Orkim Harmony suspects

The Malaysian Maritime Enforcement Agency (MMEA) is still awaiting approval from the Vietnamese authorities to extradite the eight suspects of the MT Orkim Harmony tanker to Malaysia.

[Full Report](#)

AUSTRALIA | 20 JULY | REUTERS

Australia sights first asylum vessel in two years off west coast: media

A small vessel believed to be carrying asylum seekers was seen off Australia's remote west coast on Monday, the Australian Broadcasting Corp. (ABC) reported, the first sighting of a boat carrying would-be refugees close to shore in two years.

[Full Report](#)

PHILIPPINES | 23 JULY | PHILIPPINE STAR

Philippine Navy commissions 2 landing craft heavy ships from Australia

The Navy on Thursday commissioned into service the two ships donated by Australia in a development seen to boost the Philippines's disaster response capabilities.

[Full Report](#)

INDONESIA | 27 JULY | TEMPO

Two Vietnamese boats caught poaching fishes in Riau Islands

Navy ship KRI Clurit 641 caught two Vietnamese boats poaching fish in the waters southeast or east west of Ranai Natuna in the Sumatra province of Riau Islands on Sunday.

[Full Report](#)

INDONESIA—UNITED KINGDOM | 28 JULY |
ANTARA NEWS

**Indonesia, Britain to build microsatellite for use in
maritime sector**

The governments of Indonesia and Britain will build a microsatellite in the maritime field as part of the maritime cooperation agreement between the two countries.

[Full Report](#)

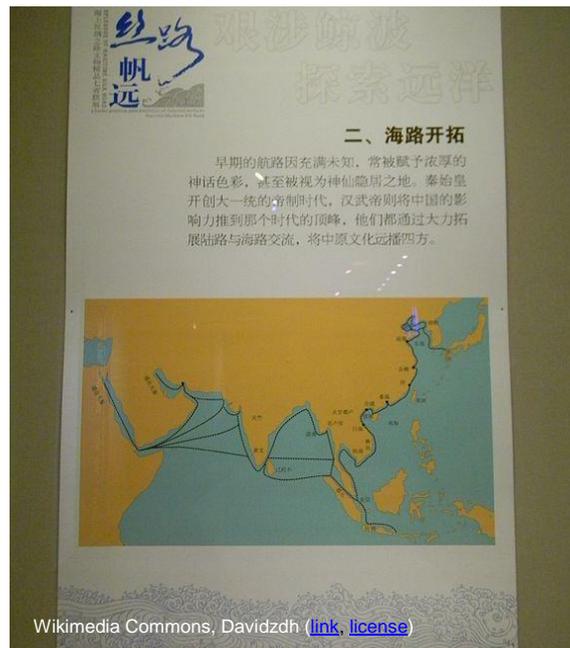
VIETNAM | 28 JULY | TUOI TRE NEWS

**Vietnam Coast Guard receives new high-speed
patrol boat**

The Vietnam Coast Guard (VCG) of Zone 4 on Monday was given a high-speed patrol boat, the fifth of its kind built by Hong Ha Shipbuilding Co., about one month after the vessel was handed over to the High Command of the Vietnam Coast Guard at the firm's facility in the northern city of Hai Phong.

[Full Report](#)

SHIPPING, PORTS AND THE MARITIME ECONOMY



SINGAPORE—CHINA | 22 JULY | CHANNEL NEWSASIA

Singapore will benefit from development of Maritime Silk Road: Observers

Development of the Maritime Silk Road is expected to bring new business opportunities to Singapore firms particularly with increasing integration among Southeast Asian countries. The 21st Century Maritime Silk Road was first proposed by China in 2013, aimed at fostering collaboration with Southeast Asia, Oceania and Africa. The Maritime Silk Road is part of China's overall 'One Belt, One Road' framework which also includes the land-based Silk Road Economic Belt.

[Full Report](#)

ASIA-PACIFIC | 2 JULY | LLOYD'S LOADING LIST

Shippers and lines welcome transpacific trade deal's progress

The shipping industry has welcomed US progress towards accelerating the implementation formation of the Trans-Pacific Partnership trade agreement, a deal supporters claim will drive reform across Asia and boost trade volumes in the decades ahead.

[Full Report](#)

INDONESIA | 3 JULY | SEATRADE MARITIME NEWS

Indonesia installs new customs head, pledges faster seaport clearance

Indonesia is injecting new blood into its custom and excise department. Local media reported that the Finance Ministry has installed 45-year-old Heru Pambudi as director general of customs and excise and he has pledged to prioritize internal reforms that

could smooth export-import activities for local manufacturers.

[Full Report](#)

MALAYSIA—CHINA | 7 JULY | THE STAR

Malaysia's lure for Chinese investors

Malaysia's competitive edge in the economic sector presents opportunities to investors from China, said the Prime Minister's special envoy to China Tan Sri Ong Ka Ting. In his keynote address at the Sixth Malaysia-China (Guangdong) Economic and Trade Cooperation Conference, Ong drew attention to the country's economic performance as acknowledged by the world's authoritative reports.

[Full Report](#)

INDONESIA | 8 JULY | JAKARTA POST

Expansion projects on track: Indonesia Port Corporation

State-owned operator PT Pelabuhan Indonesia II (Pelindo II), also known as the Indonesia Port Corporation (IPC), is to forge ahead with a port expansion plan despite the country's economic slowdown.

[Full Report](#)

SOUTH KOREA | 10 JULY | IHS MARITIME 360

Struggling South Korean yard workers call for more government aid

Workers from South Korea's struggling mid-sized shipbuilders have publicly called on President Park Geun-hye's administration to do more to assist the businesses.

[Full Report](#)

GREECE | 10 JULY | MARINELINK.COM

Greece hikes shipping tax

Greece has submitted a fresh proposal which includes hiking shipping taxes and to gradually remove the industry's special tax status to the EU in a bid to secure a 53.5 billion euro (\$59bn) rescue package to help cover its debts until 2018 and stave off bankruptcy.

[Full Report](#)

GLOBAL | 13 JULY | MARITIME EXECUTIVE

Climate report: "IMO has made little progress"

A new report released by the Global Commission on the Economy and the Climate identifies ten key economic opportunities that could close up to 96 percent of the gap between business-as-usual emissions and the level needed to limit dangerous climate change. Shipping is on the list.

[Full Report](#)

HONG KONG | 17 JULY | LLOYD'S LOADING LIST

Hong Kong box contraction continues

The port of Hong Kong has seen its container throughput continue to decline in June, marking 12 consecutive months of contraction. According to the city's Port Development Council, total box handling last month stood at 1.72m teu, down 12.9% year on year, having seen no indications of pickup since last July.

[Full Report](#)



HONG KONG | 20 JULY | WANT CHINA TIMES (XINHUA)

HK could be financing platform for Belt and Road, says financial chief

Tsang Chun-wah, financial secretary of the Hong Kong Special Administrative Region (SAR) government, has said that Hong Kong should seize the golden opportunity of China's "Belt and Road" strategy where Hong Kong could become a major financing platform.

[Full Report](#)

CHINA | 21 JULY | THE HINDU

China inks 1,401 project contracts under Silk Road initiative

Chinese companies have inked 1,401 project contracts worth USD 37.6 billion in countries along its Silk Road initiative in the first half of this year, nearly half of combined overseas contract value, according to official data released on Tuesday.

[Full Report](#)

IRAN | 24 JULY | MARITIME EXECUTIVE

Iran already making shipping and oil deals

Iran has outlined plans to rebuild its main industries and trade relationships following its nuclear agreement with world powers. According to the agreement, all economic and financial sanctions against Iran will be removed and all bans on Iran's Central Bank, shipping, oil industry and many other companies will be lifted.

[Full Report](#)

INDONESIA | 26 JULY | STRAITS TIMES (AFP)

Indonesia floats port expansion to boost faltering economy

Container ships dot the horizon off the coast of Jakarta, as cranes and labourers work on an

ambitious, economy-boosting project to expand the port network in the world's largest archipelago nation.

[Full Report](#)

SINGAPORE | 28 JULY | STRAITS TIMES
(REUTERS)

Singapore's port authority calls for LNG bunkering proposals

Singapore's Maritime Port Authority is seeking proposals on liquefied natural gas bunker supplies as it shifts away from fossil fuels towards gas while trying to maintain its role as the world's top bunkering hub.

[Full Report](#)

PHILIPPINES | 31 JULY | IHS MARITIME 360

Five firms keen on Davao Sasa port modernisation

Five firms have submitted pre-qualification documents to modernise Davao Sasa port, the Public-Private Partnership (PPP) Center of the Philippines said in a statement. Three joint ventures (JVs) and two single companies make up the five companies.

[Full Report](#)