

## Featured *MSP Perspective*:

### Tough Times Ahead for the Indonesian Navy?

— p. 4

By Collin Koh Swee Lean



Wikimedia Commons ([link](#)) ([license](#))

#### **MSP Perspectives:**

Tough Times Ahead for the Indonesian Navy?

— p. 4

#### **Naval Development and Policy:**

China says has stopped reclamation work in South China Sea

— p. 5

#### **Maritime Safety and Security:**

Malaysia, Indonesia to deploy rapid response team to fight soaring piracy

— p. 7

#### **Shipping, Ports, and the Maritime Economy:**

Roundup: China willing to align Belt and Road with ASEAN's development strategies: FM

— p. 9

# Table of Contents

<b>MSP PERSPECTIVES</b>	<b>4</b>
Tough Times Ahead for the Indonesian Navy?	4
<b>NAVAL DEVELOPMENT AND POLICY</b>	<b>5</b>
China says has stopped reclamation work in South China Sea	5
UPDATE 2- Australia spends \$65 bln on navy upgrade but submarine deal stalks PM	5
Japan may give planes to Manila for South China Sea patrols - sources	5
FROM THE BARRACKS - PR drive underway, navy revives sub hopes in earnest	5
Navy Chief Inaugurates Naval Base XII in West Kalimantan	5
Indonesia, Malaysia Discuss Ambalat	5
US approves \$1.5bn Aegis combat system sale to Japan	6
Will keep Indian Ocean demilitarized: Maldives	6
Brunei, Malaysia discuss oil and gas exploration in overlapping area	6
Chinese launch floating fortress project	6
India, US kick off talks on cooperation in construction of aircraft carriers	6
(LEAD) 50 N. Korean submarines away from base	6
Taiwan still in market for US submarines: defense ministry	6
Navy completes joint beach drill	6
Philippines seeks US help to monitor developments in West Philippines Sea	6
<b>MARITIME SAFETY AND SECURITY</b>	<b>7</b>
Malaysia, Indonesia to deploy rapid response team to fight soaring piracy	7
Minister Susi Works with France to Build Sea Observer Satellite	7
Presidential decree on illegal fishing to be ratified	7
Taiwan looks to boost maritime cooperation with Philippines, Japan	7
FM Mahmood Ali asks ARF to help Bangladesh control illegal migration by sea	7
PH Navy puts up 'eye in the north'	7
S'pore-registered tanker hijacked in Malacca Strait, with fuel oil reportedly siphoned off	8
National scene: VP demands ASEAN joint patrol in Malacca	8
Following Thai vessel bust, Susi pushes for regional cooperation	8
ASEAN coast guard officials discuss measures to protect maritime environment	8
Modi offers Navy help to Pacific Island nations	8
MPA holds ferry mishap emergency preparedness exercise	8
Maritime tribunal rejects Italy's call for India to free marines	8
Seychelles may join India-led maritime security alliance	8
M'sian ship hijacking suspect arrested	8
<b>SHIPPING, PORTS, AND THE MARITIME ECONOMY</b>	<b>9</b>
Roundup: China willing to align Belt and Road with ASEAN's development strategies: FM	9
New ultra-low sulphur fuel introduced in Singapore	9
Best opportunity for shipbuilding industry: Minister	9
Expanded Suez Canal 'boost to trade'	9
Silk Road progress 'beyond expectations', say officials	9
80 percent of marine resources remain untapped: Ministry	9
Iranian Official: \$85mln Agreement Signed with China for Southern Port Development	9
Iran offers India control of strategic Chabahar Port	10
Singapore Looks to IBM for Traffic Solutions	10
Tianjin Operations Too Close for Comfort	10
China to cut seven shipping-related expenses	10
India maps out maritime future	10
2,000 acres leased to China for Gwadar Economic Zone	10
Indian shipping body opens second office in UAE to pursue energy market	10
Port of Rotterdam in partnership agreement for Indonesian deepsea port	10

## 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.

Should you encounter any problem in retrieving the articles, or if you have any comments/suggestions/request, please feel free to contact us at:

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

## Maritime Security Programme, RSIS

### Editorial Team

Jane Chan

Collin Koh Swee Lean

Lee YingHui



#### Author

Collin Koh Swee Lean

Associate Research Fellow, Maritime Security Programme

The recent years have been an exciting one for the Indonesian Navy (Tentara Nasional Indonesia—Angkatan Laut or TNI-AL for short). It has witnessed a timely influx of new equipment to further recapitalize the force, which has for decades suffered from ageing equipment and other areas of capacity shortfalls. The Global Maritime Fulcrum, a vision espoused by incumbent President Joko Widodo, offers much promise. One of its cardinal pillars being to build up Indonesia's maritime defense. The TNI-AL, together with civilian maritime law enforcement agencies, look set to benefit from the investments.

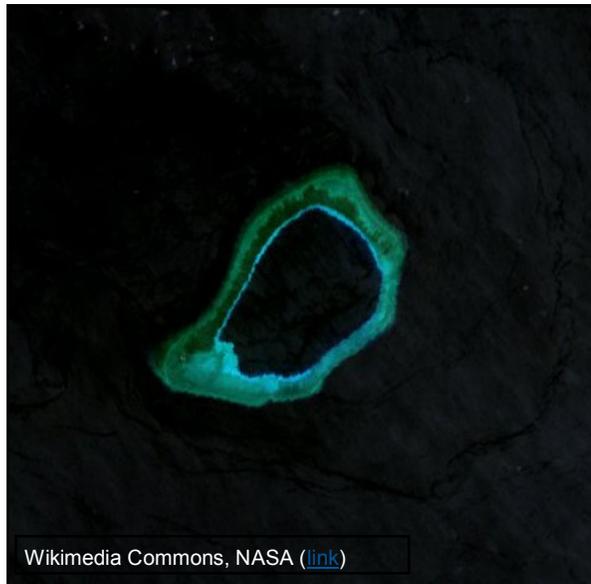
But the tasks ahead for the TNI-AL would be arduous and fraught with uncertainties. True, Indonesia's economic growth over the past five years has hovered at around of 5-6%. But this cannot be guaranteed in the long term, especially given that the Minimum Essential Force (MEF) blueprint, which was first implemented in 2010 and slated to run till 2024, requires steady investment. Recently announced plans to reduce defense spending by 6.3% next year is illustrative. One should not also fail to notice that the MEF goals for the TNI-AL is nothing short of ambitious. It envisages 274 vessels and 137 aircraft of various sizes by 2024. These include a Combat-Strike Group of 110 combat vessels including 10-12 submarines as well as 56 frigates and corvettes. The Patrol Group is tipped to have 66 patrol vessels, primarily the indigenously-built, 250-ton PC-43. The Support Group is to have 98 auxiliaries. The TNI-AL's Naval Aviation is slated to have up to 35 maritime patrol aircraft by the time the third strategic plan of the MEF is completed by 2024.

Certainly the ongoing purchases constitute the right step forward in realizing the MEF goals. New light frigates based on the Dutch SIGMA type have been purchased, to add to the smaller corvettes acquired earlier. These vessels look set to introduce a better anti-air warfare capability to the TNI-AL. New CN-235 PATMAR maritime patrol aircraft and Panther anti-submarine warfare helicopters are being acquired. The Indonesian Marine Corps is also undergoing mobility enhancement and mechanization with the induction of new amphibious fighting vehicles and locally-built landing vessels.

But despite the new procurements that brought about qualitative improvements to the TNI-AL, whether the MEF goals can be fulfilled remains a huge question mark. It was earlier envisaged that 40-42% of the MEF targets could be met by the time the first strategic plan (2010-14) was completed and some of the Indonesian military authorities even aired the possibility of concluding

the MEF altogether by 2019 instead of 2024. However, by the end of 2014, only 34% of the MEF targets had been achieved. Further growth to ramp the figure up to 68% by the end of the second strategic plan (2015-19) is highly dependent on steady or better economic growth, a prospect which is far from guaranteed. At the same time, the influx of new equipment is unable to keep pace with the growing age of existing hardware. By 2008, 74% of the TNI-AL's equipment was aged 20 years or more. By 2014, this figure improved to 67%, though attributable to purchases that pre-dated the MEF back in 2005-2007. There is much to catch up with, especially when one notices that by 2019 those equipment that aged over 20 years would have to be readied for retirement whereas the process for block replacements has to be initiated for those aged 11-19 years or less.

It is clear that the MEF goals can only be met by a more aggressive influx of funds for the TNI-AL. Recent announcement to raise defence spending is a good move in this direction. However, the question is whether Jakarta will sustain this spending pattern if not better. Failing which, it may be possible for Jakarta's defense planners to seriously think about revising the original force targets, making tweaks to the envisaged force composition. The existing mixed procurement strategy of relying on limited buys of expensive foreign newbuilds, second-hands and utilization of domestic defense-industrial niches will continue to persist in such times of austerity. There is just simply too much to do with that limited amount of funding available; besides recapitalizing the TNI-AL, expenditures need to go to other essentials such as manpower training, infrastructure and logistics support. These altogether present a tough challenge for the TNI-AL. It may also put into question a recent intention expressed by President Widodo to step up the country's military strength beyond the MEF levels.



CHINA | 5 AUGUST | REUTERS

### **China says has stopped reclamation work in South China Sea**

Chinese Foreign Minister Wang Yi said on Wednesday that Beijing had halted land reclamation in the South China Sea, and called on countries in the region to speed up talks on how claimant states should conduct themselves in the disputed waters.

AUSTRALIA | 4 AUGUST | REUTERS

### **UPDATE 2- Australia spends \$65 bln on navy upgrade but submarine deal stalks PM**

Australia will spend A\$89 billion (\$65 billion) on ships and submarines for its navy over the next 20 years but pressure grew on Prime Minister Tony Abbott on Tuesday to spend more than half that total building a new submarine fleet domestically.

[Full Report](#)

JAPAN-PHILIPPINES | 6 AUGUST | REUTERS

### **Japan may give planes to Manila for South China Sea patrols - sources**

Japan wants to give planes to the Philippines that Manila could use for patrols in the South China Sea, sources said, a move that would deepen Tokyo's security ties with the Southeast Asian nation most at odds with Beijing over the disputed waterway.

[Full Report](#)

THAILAND | 6 AUGUST | BANGKOK POST

### **FROM THE BARRACKS - PR drive underway, navy revives sub hopes in earnest**

The government's recent decision to delay a plan to purchase three submarines from China does little to dim the navy's hopes that one day they still can be theirs.

[Full Report](#)

INDONESIA | 7 AUGUST | TEMPO

### **Navy Chief Inaugurates Naval Base XII in West Kalimantan**

Navy Chief of Staff Admiral Ade Supandi inaugurates the improvement status from Naval Base Pontianak to become Naval Base XI Pontianak, West Kalimantan Province, Antara News Agency reported Friday, August 7.

[Full Report](#)

INDONESIA-MALAYSIA | 10 AUGUST | TEMPO

### **Indonesia, Malaysia Discuss Ambalat**

Indonesia's Foreign Affairs Minister, Retno LP Marsudi said that Indonesia is slated to discuss the issue pertain to its' border with its' Malaysian counterparts.

[Full Report](#)

*Continue on page 6*

JAPAN | 10 AUGUST | NAVAL-TECHNOLOGY.COM

### **US approves \$1.5bn Aegis combat system sale to Japan**

The US State Department has approved a possible foreign military sale worth approximately \$1.5bn to Japan for DDG 7 and 8 Aegis combat system (ACS), underwater weapon system (UWS), and cooperative engagement capability (CEC).

[Full Report](#)



MALDIVES | 11 AUGUST | TIMES OF INDIA

### **Will keep Indian Ocean demilitarized: Maldives**

Maldives President Abdulla Yameen has promised to keep the Indian Ocean a “demilitarized zone”.

[Full Report](#)

BRUNEI-MALAYSIA | 12 AUGUST | BORNEO BULLETIN

### **Brunei, Malaysia discuss oil and gas exploration in overlapping area**

Malaysia and Brunei have finalised matters related to oil and gas exploration in the overlapping area in Blocks CA1 and CA2, Malaysia’s Prime Minister Datuk Seri Najib Tun Razak said yesterday.

[Full Report](#)

CHINA | 14 AUGUST | FT.COM

### **Chinese launch floating fortress project**

Two Chinese companies say they are to build platforms as long as 3.2km that could host airstrips, docks, helipads,

barracks and even “comprehensive security bases”, in the words of one company executive.

[Full Report](#)

INDIA-UNITED STATES | 17 AUGUST | TIMES OF INDIA

### **India, US kick off talks on cooperation in construction of aircraft carriers**

India has now kicked off discussions with the US on collaboration in technologies associated with aircraft carriers, in a move which comes soon after the defence ministry here set the ball rolling for construction of the country’s largest-ever warship, the 65,000-tonne INS Vishal.

[Full Report](#)

NORTH KOREA | 23 AUGUST | YONHAP NEWS

### **(LEAD) 50 N. Korean submarines away from base**

More than 50 North Korean submarines are apparently away from their bases for operations, a sign that the North is gearing up for combat while participating in high-level talks aimed at easing tension, an official here said Sunday.

[Full Report](#)

TAIWAN | 25 AUGUST | WANT CHINA TIMES

### **Taiwan still in market for US submarines: defense ministry**

A day after Taiwan’s president, Ma Ying-jeou, said the country is committed to building its own submarines, the country’s Ministry of National Defense reiterated on Monday that it has still not given up on the idea of buying submarines from the United States.

[Full Report](#)

CHINA-RUSSIA | 26 AUGUST | CHINA DAILY

### **Navy completes joint beach drill**

The Chinese navy completed its first overseas joint beach landing drill on Tuesday as part of an ongoing marine exercise with Russia.

[Full Report](#)

PHILIPPINES-UNITED STATES | 28 AUGUST | THE PHILIPPINE STAR

### **Philippines seeks US help to monitor developments in West Philippines Sea**

The Philippines has sought help from the United States to monitor “real-time” developments in the South China Sea and West Philippine Sea, providing surveillance and reconnaissance, a military spokesman said yesterday, amid China’s rapid expansion in the area.

[Full Report](#)



INDONESIA-MALAYSIA | 26 AUGUST | REUTERS

## Malaysia, Indonesia to deploy rapid response team to fight soaring piracy

Malaysia and Indonesia are deploying rapid reaction teams to combat a soaring number of attacks on merchant vessels in one of the world's busiest shipping chokepoints, a Malaysian admiral said.

[Full Report](#)

INDONESIA | 4 AUGUST | TEMPO

## Minister Susi Works with France to Build Sea Observer Satellite

The Maritime Affairs and Fisheries Ministry is working with the French government to launch a project to develop Infrastructure Development for Space Oceanography (Indeso), a program designed to monitor the condition of Indonesian waters, including the Biogeochemical and ecosystem.

[Full Report](#)

INDONESIA | 4 AUGUST | ANTARA NEWS

## Presidential decree on illegal fishing to be ratified

The presidential decree on illegal, unreported and unregulated fishing will be ratified soon by President Joko Widodo, according to Minister of Maritime Affairs and Fisheries Susi Pudjiastuti.

[Full Report](#)

TAIWAN-JAPAN-PHILIPPINES | 6 AUGUST | REUTERS

## Taiwan looks to boost maritime cooperation with Philippines, Japan

Taiwan's coastguard wants to improve cooperation with the Philippines and conduct joint search and rescue exercises despite tense standoffs in disputed waters in recent months, a senior coastguard official said on Thursday.

[Full Report](#)

BANGLADESH | 6 AUGUST | BDNEWS24.COM

## FM Mahmood Ali asks ARF to help Bangladesh control illegal migration by sea

Abul Hassan Mahmood Ali made the call at the plenary of the meeting of the foreign ministers of 27 Asia Pacific countries at Kuala Lumpur on Thursday.

[Full Report](#)

PHILIPPINES | 8 AUGUST | MANILA BULLETIN

## PH Navy puts up 'eye in the north'

The military now has "eye in north," an automatic identification system that gives navy the capability to detect foreign vessels that intrude into Philippine waters, particularly in Batanes.

[Full Report](#)

Continue on page 8

Continued from page 7

SINGAPORE | 9 AUGUST | THE STRAITS TIMES

### **S'pore-registered tanker hijacked in Malacca Strait, with fuel oil reportedly siphoned off**

A Singapore-registered ship, Joaquim, disappeared in the Malacca Strait on Saturday at about 9.30pm and was found some 14 nautical miles off Tanjung Kling near Malacca on Sunday morning.

[Full Report](#)

INDONESIA | 11 AUGUST | THE JAKARTA POST

### **National scene: VP demands ASEAN joint patrol in Malacca**

Vice President Jusuf Kalla has proposed ASEAN countries to form a joint patrol team to guard the Malacca Strait, which is prone to piracy and human trafficking.

[Full Report](#)

INDONESIA | 15 AUGUST | THE JAKARTA POST

### **Following Thai vessel bust, Susi pushes for regional cooperation**

The Navy has detained and brought to shore a massive refrigerated cargo ship that officials believe has been involved in illegal trans-shipment practices with the help of rogue vessels.

[Full Report](#)

ASEAN | 20 AUGUST | MANILA BULLETIN

### **ASEAN coast guard officials discuss measures to protect maritime environment**

Coast Guard officials from member countries of the Association of Southeast Asian Nations (Asean) officially began on Wednesday their discussions that would foster cooperation in securing and protecting the maritime environment in the region.

[Full Report](#)

INDIA | 21 AUGUST | DECCAN HERALD

### **Modi offers Navy help to Pacific Island nations**

In a bid to step up its strategic footprints in a region where big powers compete for geopolitical influence, India has pledged the Pacific Island nations support of its navy to secure their coastlines and exclusive economic zones (EEZs).

[Full Report](#)

SINGAPORE | 21 AUGUST | CHANNEL NEWSASIA

### **MPA holds ferry mishap emergency preparedness exercise**

The Maritime and Port Authority of Singapore (MPA) held its annual emergency preparedness exercise on Friday (Aug 21), aiming to test agencies' readiness to respond to ferry mishaps in Singapore's waters.

[Full Report](#)

INDIA | 24 AUGUST | REUTERS



Indian Navy ([link](#)) ([license](#))

### **Maritime tribunal rejects Italy's call for India to free marines**

An international maritime tribunal on Monday rejected Italy's request that India provisionally release two marines accused of killing two Indian fishermen, a setback for the Italian government after a three-year legal battle.

[Full Report](#)

INDIA-SEYCHELLES | 30 AUGUST | TIMES OF INDIA

### **Seychelles may join India-led maritime security alliance**

Days after India reset its relations with 14 Pacific Island countries, Seychelles, a key power in the Indian Ocean, declared it might join an India-led trilateral security framework that also includes Sri Lanka and Maldives.

[Full Report](#)

INDONESIA | 30 AUGUST | THE JAKARTA POST

### **M'sian ship hijacking suspect arrested**

After more than a month of pursuit, the Indonesian Navy has arrested the alleged mastermind behind the hijacking of Malaysian oil tanker the MT Orkim Harmony, a Navy officer has said.

[Full Report](#)

# SHIPPING, PORTS, AND THE MARITIME ECONOMY



CHINA | 6 AUGUST | CHINA.ORG.CN

## Roundup: China willing to align Belt and Road with ASEAN's development strategies: FM

Chinese Foreign Minister Wang Yi said here Wednesday that China is willing to align its "One Belt, One Road" initiative with ASEAN countries' respective development strategies.

[Full Report](#)

KOREA-SINGAPORE | 3 AUGUST | IHS MARITIME 360

## New ultra-low sulphur fuel introduced in Singapore

A new ultra-low sulphur fuel oil (ULSFO) marine fuel oil, with a sulphur content of no more than 0.1%, has been introduced in the Port of Singapore by South Korean bunker supplier SK Energy International (SK Energy).

[Full Report](#)

INDONESIA | 4 AUGUST | ANTARA NEWS

## Best opportunity for shipbuilding industry: Minister

Industry Minister Saleh Husin said shipbuilding industry has good opportunity to expand with the government program to make Indonesia a world maritime axis by optimizing sea transport.

[Full Report](#)

EGYPT | 4 AUGUST | LLOYD'S LOADING LIST

## Expanded Suez Canal 'boost to trade'

The expanded Suez Canal will be officially opened by Egyptian President Abdel Fattah Al-Sisi on 6 August. According to the Suez Canal Authority, the additional 70 km section Suez Canal Axis will increase daily capacity and reduce transit times. This will enable a doubling of the transit capacity through the canal by 2023.

[Full Report](#)

CHINA | 5 AUGUST | CHINA DAILY

## Silk Road progress 'beyond expectations', say officials

Levels of economic and trade cooperation between China and partner countries along the Silk Road Initiative trade routes have been stronger than expected over the past six months, the Ministry of Commerce said on Tuesday.

[Full Report](#)

INDONESIA | 10 AUGUST | ANTARA NEWS

## 80 percent of marine resources remain untapped: Ministry

The country's marine and fishery resources have remained largely untapped, an official of the marine and fishery ministry (KKP) said.

[Full Report](#)

CHINA-IRAN | 12 AUGUST | FARS NEWS AGENCY

## Iranian Official: \$85m Agreement Signed with China for Southern Port Development

Iran has endorsed a Chinese company's 85-million dollar offer for financing the needed equipment in Southeastern port of Chabahar, a Deputy Road and Urban Development Minister said on Wednesday.

[Full Report](#)

Continue on page 10

INDIA-IRAN | 14 AUGUST | DECCAN HERALD

### Iran offers India control of strategic Chabahar Port

As Tehran wants New Delhi to raise its stake in Chabahar Port in Iran, Foreign Minister of the Islamic Republic, Mohammad Javad Zarif, on Friday offered India a deal that not only involves developing the second phase of the port but also for operating it.

[Full Report](#)

SINGAPORE | 17 AUGUST | MARTIME EXECUTIVE

### Singapore Looks to IBM for Traffic Solutions

The Maritime and Port Authority of Singapore (MPA) has announced a two-year partnership agreement with IBM to develop new analytics-based technologies to improve operational efficiency and safety in the face of increasing growth in vessel traffic in Singapore.

[Full Report](#)

CHINA | 20 AUGUST | MARTIME EXECUTIVE

### Tianjin Operations Too Close for Comfort

Port Tianjin which handles forty percent of auto imports into China has seen a diversion of shipment, of major automakers including Toyota, Volkswagen and BMW to ports in Dalian and Shanghai one week after the explosions that killed more than 114 people.

[Full Report](#)

CHINA | 25 AUGUST | IHS MARITIME 360

### China to cut seven shipping-related expenses

China's Ministry of Finance and National Development and Reform Commission (NDRC) announced on 24 August that seven shipping-related expenses, including port fee and ship nationality certificate fee will be slashed from 1 October to relieve the burden on shipping enterprises and promote economic development along the Yangtze River.

[Full Report](#)

INDIA | 25 AUGUST | SPLASH

### India maps out maritime future

The union government has decided to open up seven new major ports in addition to 12 existing major ports as part of the overall vision for Indian maritime in 2020, revealed Union Minister for Shipping, Road Transport and Highways, Nitin Gadkari.

[Full Report](#)



PAKISTAN-CHINA | 27 AUGUST | THE NEWS INTERNATIONAL

### 2,000 acres leased to China for Gwadar Economic Zone

Pakistan has leased out over 2,000 acres of land to China for 43 years mainly belonging to the Pakistan Navy and the provincial government in order to construct the first Free Economic Zone (FEZ) at Gwadar.

[Full Report](#)

INDIA-UAE | 29 AUGUST | THE NATIONAL

### Indian shipping body opens second office in UAE to pursue energy market

Indian Register of Shipping (IRClass) seeks to increase its presence in the Arabian Gulf with the opening of a second office in Abu Dhabi. Oil and gas is an important area of growth for IRClass and the location of the new office will allow IRClass to better serve the needs of the offshore as well as onshore sectors, C Sriramamurthy, IRClass's chief operating officer revealed.

[Full Report](#)

INDONESIA | 31 AUGUST | SEATRADE MARITIME NEWS

### Port of Rotterdam in partnership agreement for Indonesian deepsea port

The Port of Rotterdam Authority has signed a partnership agreement with Indonesian port operating company Pelindo to undertake a feasibility study on a joint venture to construct and develop a new port at Kuala Tanjung.

[Full Report](#)