Featured MSP Perspectives:

Underwater Dimension of Crisis Management in the East China Sea
— p. 4
By Collin Koh

MSP Perspectives:

Underwater Dimension of Crisis Management in the East China Sea
— p. 4

Naval Development and Policy:

China says U.S. warship violated its South China Sea sovereignty
— p. 5

Maritime Safety and Security:

Burning oil tanker sinks in the East China Sea
— p. 7

Shipping, Ports, and the Maritime Economy:

China reveals ‘Polar Silk Road’ ambition in Arctic policy white paper
— p. 9
## Table of Contents

### MSP PERSPECTIVES
- Underwater Dimension of Crisis Management in the East China Sea

### NAVAL DEVELOPMENT AND POLICY
- China says U.S. warship violated its South China Sea sovereignty
- NAVSEA: FY 2019 Navy Budget Request Will Include More Shipbuilding, Life Extensions to Help Grow Fleet
- China has started building its third aircraft carrier, military sources say
- New Chinese naval destroyer outfitted in Shanghai
- Chinese naval base in Pakistan ‘out of question’
- Proposal to convert MSDF’s Izumo into aircraft carrier surfaces at Defense Ministry
- US adds platform for stealth jets to Pacific
- Blow to Make in India and Navy as Modi govt scraps minesweeper project
- Japan confirms sub spotted near Senkakus was Chinese
- Legislators, analysts pan missile boat plan
- Navy’s eastern fleet to get four next generation patrol vessels
- Satellite image shows ongoing work on N.K.’s second SLBM test barge
- Senators seek probe on frigate project
- Surveillance under the sea: how China is listening in near Guam
- Seychelles allows India military infra on island

### MARITIME SAFETY AND SECURITY
- Burning oil tanker sinks in the East China Sea
- China’s underwater glider completes Indian Ocean, S. China Sea missions
- Video reportedly shows Houthis rebels with captured underwater Navy drone
- Seized vessel tied to China firm
- N. Korea Restores Another Inter-Korean Communication Channel
- Surface Navy boss: To fix the fleet, reduce commitments and give us more ships
- Gov’t Working to Develop an Integrated System to Tackle IUU Fishing
- MSDF patrolling Yellow Sea to stop smuggling to North Korea
- Japan patrol plane notices N. Korea, Dominican tankers contact at sea
- Malacañang says Filipinos need China for Benham Rise research
- Pinoy, Chinese fish in harmony in Panatag — military
- Duterte asks China for help in Asean’s anti-piracy drive
- Tamil Nadu fishermen in more trouble? Sri Lanka levies heavy fine on foreign vessels for fishing in their waters
- Iranian Drone Missions on the Rise in the Persian Gulf as Small Boat Harassment Drops
- Japan-donated plane conducts maritime patrol over Bajo De Masinloc

### SHIPPING, PORTS, AND THE MARITIME ECONOMY
- China reveals ‘Polar Silk Road’ ambition in Arctic policy white paper
- S. Korea to develop 30 mln square meters of seaport hinterland by 2030
- Largest automated container terminal starts operations
- Jurong Shipyard fined $630,000 in two months for safety lapses
- Singapore: Accreditation scheme to be extended to maritime, shipping lawyers
- Tokyo Gas unit wins contract for Thai LNG terminal
- Marine Environmental Protection Committee meets on Single-Hull Issues
- MSC adopts new requirement for fisheries assessments
- EMAC seeks support from major players, meets with DP World
- Malaysian ports left out as container shipping lines consolidate
- Industry gets new trawler rules boost
- U.S., Russia propose Bering Strait traffic routing
- Hyundai Heavy Industries banned from tendering state projects for 2 yrs
- Six accords of cooperation signed between Gwadar, China’s ports
- Shanghai to expand access to overseas funding for companies as part of plan for free port
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

Maritime Security Programme, RSIS

Editorial Team

Lee YingHui
Octa Purnama Sari
Collin Koh
The simmering Sino-Japanese spat over the Diaoyu/Senkaku Islands saw a new turn, towards an unsettling direction, following the most recent spat over Chinese submarine presence. Just last month, the Japan Ministry of Defense revealed that a foreign submarine was traversing the contiguous zone of the isles, while submerged, twice on two consecutive days as a Chinese frigate sailed close by.

None of the vessels entered within 12 nautical miles of the isles, though subsequently Tokyo confirmed the identity of the submarine as a Shang-class nuclear-powered attack boat, which was spotted travelling on surface in international waters flying a Chinese flag from its sail.

Before the submarine’s identity was confirmed, Japanese defense authorities believed the foreign boat was Chinese. This sparked off a war of words between Beijing and Tokyo. While Japanese Defense Minister Itsunori Onodera described the submarine activity as “an act that unilaterally heightens tensions,” the Chinese authorities had defended the move.

Japan’s angst was understandable. Not too long before, Beijing and Tokyo had put out feelers in a bid to improve ties which had been frosty ever since an incident between Japan Coast Guard and a Chinese trawler off the isles in 2010, and after Japan nationalized the isles in 2012. Yet it would not be presumptuous to say that beneath the diplomatic niceties, not all is well. The Sino-Japanese dispute in the East China Sea continues to simmer along.

Just earlier in January, the International Hydrographic Organisation approved Tokyo’s proposals for naming 34 seabed features in the East China Sea – more than those granted to Beijing. This move would reinforce Japan’s assertion of control over the waters whereas China had sought to prevent what it long perceives as the former’s bid to expand in the East China Sea.

As such, while there had been apparent diplomatic moves by the two capitals to improve ties, one would not wish away those developments unfolding right in the East China Sea. Tokyo’s sounding of the alarm bell about the latest Chinese submarine foray close to the disputed isles could be one informed by established patterns of Beijing’s maritime activities in the area.

Following the brewing of diplomatic tension in 2012, Chinese coastguard vessels first traversed outside the 12 nautical mile-limit of the isles, before gradually elevating those activities within. Since then, Beijing has “normalized” such forays despite routine warning by their Japanese counterparts. From more lightly-equipped vessels that usually traverse those waters, for the first time in December 2015 a China Coast Guard vessel armed with heavier weapons, Haixing 31239 – a converted Jiangwei I-class frigate retaining its 37mm autocannons – was observed.

Earlier that same month, a Chinese navy Dongdiao-class intelligence-gathering ship was spotted close by – also an unprecedented development – though it did not enter within 12 nautical miles of the isles. This prompted Tokyo to mull deploying the Maritime Self-Defense Force to patrol the area in the event that Chinese navy vessels sail into the territorial waters. Notwithstanding this ominous warning, a Chinese naval intelligence-gathering ship was observed again in the contiguous zone off the isles in June 2016.

Beijing’s justifications for these forays are hinged on their legality in the eyes of international law. The same was applied to this latest submarine foray. Nonetheless, legality aside, such a move when seen in the context of past established patterns of Chinese coastguard and naval activities in waters close to the isles, could be construed as destabilizing in nature.

While China has without a doubt demonstrated its version of freedom of navigation operations off the isles, but overtly doing so with a submarine would be a departure from what traditionally had been done using surface warships for “visible effect”. The boat in question is no ordinary submarine, but a nuclear-powered one equipped with long-range cruise missiles, altogether constituting a highly offensive and potentially destabilizing platform of choice.

Given this latest development, and seen in the context of past established patterns of Chinese maritime activities, where Beijing would gradually up the ante with the type of forces it chose to deploy to send a signal to Japan, the future trajectory of events that may unfold in the East China Sea does not seem assuring. A repeat of the incident in November 2004, when a Chinese submarine was detected in Japanese territorial waters near Okinawa, cannot be discounted.

During the 2004 episode, the Chinese submarine was an old, noisy Han-class nuclear-powered boat. Newer and successive classes of Chinese submarines are “quieter”, which would raise the stakes of an underwater “cat and mouse” game that looks set to extend from the, until now, surface-only encounters close to the isles. This has the potential consequence of prompting Japan to ramp up anti-submarine measures around the area, in effect leading to the militarization of the ongoing dispute.

If history is anything to go by, some of such underwater “cat and mouse” encounters documented during the Cold War and even in recent times ended up in mishaps and resulted in diplomatic uproar. The last thing both Beijing and Tokyo would desire is for an inadvertent submarine incident in the East China Sea to derail diplomatic efforts to improve ties, while deepening the bilateral schism.

In view of this development, it would be contingent on China and Japan to hasten efforts on the proposed maritime and air crisis management mechanism that has been stalemated for years without a conclusion in clear sight. Moreover, there is now an urgent need for both parties to revisit the intended provisions for this mechanism to consider an underwater dimension, in order to prevent or ameliorate the likelihood of an underwater encounter that may potentially escalate into more serious mishaps.
China says U.S. warship violated its South China Sea sovereignty

A U.S. Navy destroyer this week sailed near the Scarborough Shoal, a disputed lagoon claimed by China in the South China Sea, U.S. officials said on Saturday, and Beijing vowed to take “necessary measures” to protect what it said was its sovereignty.

NAVSEA: FY 2019 Navy Budget Request Will Include More Shipbuilding, Life Extensions to Help Grow Fleet

The upcoming Fiscal Year 2019 budget request will begin to reveal the Navy’s plans for building up the fleet – both through new shipbuilding investments and through a plan to keep current surface ships in service longer, the head of Naval Sea Systems Command told USNI News in an interview.

New Chinese naval destroyer outfitted in Shanghai

A new type of China-built navy destroyer is being outfitted at Jiangnan Shipyard (Group) in Shanghai.

China has started building its third aircraft carrier, military sources say

China started building its third aircraft carrier - with a hi-tech launch system - at a Shanghai shipyard last year, according to sources close to the People’s Liberation Army.
Proposal to convert MSDF’s Izumo into aircraft carrier surfaces at Defense Ministry

The regular review of Japan's National Defense Program Guidelines is fast approaching, and attention is likely to be focused on the Self-Defense Forces’ offensive strike capability.

Full Report

US adds platform for stealth jets to Pacific

The US military boosted its stealth attack options in the Pacific on Saturday when the amphibious assault ship USS Wasp moved into the 7th Fleet area of operations.

Full Report

Blow to Make in India and Navy as Modi govt scraps minesweeper project

The Indian Navy will have to soldier on for the foreseeable future with a glaring capability gap in detecting and countering naval mines, even as Chinese submarines regularly patrol the waters of the Indian Ocean and could potentially deploy said weapons that would prove to be a danger for the country's sea warriors.

Full Report

Japan confirms sub spotted near Senkakus was Chinese

The government said Friday it has confirmed that a submarine spotted near Japanese territorial waters around the Senkaku Islands in the East China Sea the day before was a Chinese naval vessel.

Full Report

Legislators, analysts pan missile boat plan

Plans by the Ministry of National Defense (MND) to purchase 60 45-tonne missile boats to bolster anti-ship missile coverage and increase missile deployment mobility might be too idealistic and require reconsideration, legislators and defense analysts said on Wednesday last week.

Full Report

Navy’s eastern fleet to get four next generation patrol vessels

Four new generation patrol vessels will be assigned for the Royal Malaysian Navy's Eastern Fleet Command operations.

Full Report

Satellite image shows ongoing work on N.K.'s second SLBM test barge

Recent satellite imagery showed ongoing work on North Korea's second submarine-launched ballistic missile (SLBM) test stand barge off its western coast, a U.S. expert said Tuesday.

Full Report

Senators seek probe on frigate project

The Senate minority bloc has called for an inquiry into the controversial purchase of two frigates for the Philippine Navy and the overall status of the Armed Forces of the Philippines (AFP) Modernization Act.

Full Report

Surveillance under the sea: how China is listening in near Guam

China has planted powerful listening devices in two strategic seabeds deep in the waters near Guam, America’s biggest military base in the Western Pacific.

Full Report

Seychelles allows India military infra on island

Overcoming a hiccup, India and Seychelles signed a revised agreement that will allow India to build military infrastructure on Assumption Island, that will expand its strategic reach in the Indian Ocean.
Burning oil tanker sinks in the East China Sea

An oil tanker burning in the East China Sea has sunk a week after it collided with another vessel, according to Chinese state media.

Full Report

China’s underwater glider completes Indian Ocean, S. China Sea missions

China’s underwater glider successfully ended its mission to the Indian Ocean and South China Sea, and a Chinese expert said other countries should rationally view China's deep sea explorations.

Full Report

Video reportedly shows Houthi rebels with captured underwater Navy drone

Video emerged this week claiming to show Houthi rebels with a captured U.S. Navy underwater drone that they say was nabbed off of Yemen's coast.

Full Report

Seized vessel tied to China firm

A Panama-flagged vessel suspected of illicitly transferring oil products to North Korea and seized by South Korean authorities last week was operated by a Chinese company with links to a blacklisted North Korean shipping company.

Full Report

N. Korea Restores Another Inter-Korean Communication Channel

As rare high-level talks between South and North Korea are under way, Pyongyang has restored another inter-Korean communication channel.

Full Report

Continue on page 8
Surface Navy boss: To fix the fleet, reduce commitments and give us more ships

The U.S. Navy's top surface warfare officer has said the military must ease the burden on the service if it's to fix issues that came to light after a pair of collisions that took the lives of 17 sailors last summer.

Gov't Working to Develop an Integrated System to Tackle IUU Fishing

Indonesia aims to tackle illegal, unreported and unregulated, or IUU, fishing, by expanding its approach and creating a more integrated system that includes monitoring via satellite and drones and by placing a tanker on standby for refueling.

MSDF patrolling Yellow Sea to stop smuggling to North Korea

Maritime Self-Defense Force vessels have been patrolling international waters off the Korean Peninsula since late last year to thwart attempts by North Korea to evade international sanctions, government sources said.

Japan patrol plane notices N. Korea, Dominican tankers contact at sea

A Japanese patrol plane spotted a suspicious contact between North Korean and Dominican Republic tankers in the East China Sea, suspecting a possible transfer of goods in violation of U.N. sanctions on the North, government sources said.

Duterte asks China for help in Asean's anti-piracy drive

President Rodrigo Duterte, who left for New Delhi on Wednesday, said he would ask China if it could patrol the international waters near the Philippines, to help tackle terrorism and piracy, like what China did in Somalia.

Tamil Nadu fishermen in more trouble? Sri Lanka levies heavy fine on foreign vessels for fishing in their waters

Sri Lanka has increased by over 100 times the fine on foreign vessels to deter them from fishing in its waters, amid the dispute over the frequent entry of Indian fishing trawlers into the country's maritime territory.

Iranian Drone Missions on the Rise in the Persian Gulf as Small Boat Harassment Drops

Iranian drones have become increasingly active in the Persian Gulf and other critical waterways around the Middle East, regularly conducting surveillance flights close to U.S. warships crossing the Strait of Hormuz and operating around the region, a defense official told USNI News on Friday.

Japan-donated plane conducts maritime patrol over Bajo De Masinloc

A Japanese-donated Beechcraft King Air TC-90, under the operational control of the Northern Luzon Command, conducted its first maritime patrol air patrol mission over the Bajo De Masinloc (Scarborough Shoal), Zambales and other areas under NOLCOM supervision Wednesday.
China reveals ‘Polar Silk Road’ ambition in Arctic policy white paper

Beijing on Friday released its first official Arctic policy white paper, outlining its ambition for a “Polar Silk Road” amid growing concerns over China’s activities in the region.

SOUTH KOREA | 1 JANUARY | YONHAP NEWS

S. Korea to develop 30 mln square meters of seaport hinterland by 2030

South Korea plans to create 30 million square meters of seaport hinterland by 2030 as part of a broader development plan to enhance the country’s industrial and logistics infrastructure, the government said Monday.

SINGAPORE | 5 JANUARY | YAHOO NEWS

Jurong Shipyard fined $630,000 in two months for safety lapses

In less than two months, Jurong Shipyard Pte Ltd (JSPL) has been fined a total of $630,000 for safety lapses related to two separate incidents that saw the deaths of two workers and injuries to dozens more.

SINGAPORE | 9 JANUARY | HELLENIC SHIPPING NEWS

Singapore: Accreditation scheme to be extended to maritime, shipping lawyers

A voluntary accreditation scheme, known as the Specialist Accreditation Scheme, will be extended to lawyers in the maritime and shipping industry, said Chief Justice Sundaresh Menon at the opening of the legal year on Monday.
Broader Horizons — January 2018

Continued from page 9

THAILAND-JAPAN | 9 JANUARY | REUTERS

Tokyo Gas unit wins contract for Thai LNG terminal

Tokyo Gas Co says its wholly-owned subsidiary Tokyo Gas Energy Solutions has won a project management consultancy contract from Thailand’s PTT LNG Co Ltd for the construction of the Nong Fab LNG terminal

GLOBAL | 18 JANUARY | MARITIME EXECUTIVE

Marine Environmental Protection Committee meets on Single-Hull Issues

The International Maritime Organization’s (IMO) Marine Environment Protection Committee (MEPC) is currently considering the adoption of proposals for an accelerated phase-out scheme for single hull tankers.

GLOBAL | 22 JANUARY | FISH INFO & SERVICES

MSC adopts new requirement for fisheries assessments

The Marine Stewardship Council (MSC) will further strengthen its ability to catalyse improvements in global fisheries by requiring all fishing activities on a target stock on a single trip to be certified against the MSC’s Standard for sustainable fishing.

UNITED ARAB EMIRATES | 22 JANUARY | SEATRADE MARITIME NEWS

EMAC seeks support from major players, meets with DP World

Emirates Maritime Arbitration Centre (EMAC) is exploring collaboration with terminal operator DP World, as seeks to engage major players in the regional maritime business.

MALAYSIA | 23 JANUARY | BUNKER PORTS NEWS WORLDWIDE

Malaysian ports left out as container shipping lines consolidate

The recent round of container shipping line consolidation and alliance reshuffling leaves Malaysian ports out of the race for transhipment volumes, as bigger groups opt to maintain or move their services to Singapore rather than to Port Klang or Port of Tanjung Pelepas (PTP).

THAILAND | 23 JANUARY | BANGKOK POST

Industry gets new trawler rules boost

The government has promised fishing operators new measures to sustain their businesses including allowing them to take over unused trawlers that have been properly registered or sell off their unregistered fishing boats.

UNITED STATES-RUSSIA | 27 JANUARY | MARITIME EXECUTIVE

U.S., Russia propose Bering Strait traffic routing

In response to increased Arctic shipping traffic, the U.S. and Russia have proposed a system of two-way routes for vessels to follow in the Bering Strait and Bering Sea. The nations jointly developed and submitted the proposal to the IMO to establish six two-way routes and six precautionary areas.

SOUTH KOREA | 28 JANUARY | PULSE

Hyundai Heavy Industries banned from tendering state projects for 2 yrs

South Korea’s largest shipbuilder Hyundai Heavy Industries Co. is banned from participating in state-led tenders such as warship construction projects for two years due to the bribery conviction related to the country’s nuclear power project in the United Arab Emirates.

CHINA-PAKISTAN | 29 JANUARY | THE NATION

Six accords of cooperation signed between Gwadar, China’s ports

Pakistan and China on Monday inked five Agreements and a Memorandum of Understanding for strengthening collaboration between Gwadar and the Chinese port cities.

CHINA | 31 JANUARY | HELLENIC SHIPPING NEWS

Shanghai to expand access to overseas funding for companies as part of plan for free port

The Chinese city of Shanghai plans to make it easier for more companies based outside its free-trade zone to raise capital from outside mainland China as it seeks government endorsement of plans to expand the zone into what it calls a free-trade port.