

Featured *MSP Perspectives*:



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2018 was a relatively smooth sailing year in the South China Sea. Under the Singapore chairmanship, the Association of South East Asian Nations (ASEAN) agreed to a single draft negotiating text for the Code of Conduct (COC), with China. 2018 would also be remembered as the year ASEAN and China conducted their first ever joint maritime exercise.

While positive developments in the past year serves as a foundation for further easing of tension in the year ahead, it is important to remember that potential flashpoints continue to exist.

The U.S.-China rivalry remains a considerable force of instability. Amidst growing trade tensions between Washington and Beijing, the two countries continue to vie for dominance in the South China Sea.

Beijing and Washington continue to be locked in argument over the question of who is militarising the South China Sea. According to the U.S., the construction of military facilities on Chinese-controlled reefs constitutes militarisation. China, on the hand, have long argued that the US freedom of navigation operations (FONOPs) constitutes unnecessary provocations, threatening legitimate Chinese interest and sovereignty in the South China Sea.

With increased military encounters between Chinese and U.S. ships, there is always the possibility of an incident occurring. On 30 September 2018, a Chinese *Luyang* class destroyer came close to collision with the U.S. Navy destroyer, USS *Decatur*, near the Gaven Reef while the latter was carrying out FONOPs in the Spratly Islands.

Meanwhile, a number of American allies also appear to be increasing their presence in the South China Sea. Last June, France and the UK conducted joint maritime patrols near the Fiery Cross, Mischief and Subi and Reefs in the Spratly islands. In August 2018, the UK conducted a patrol near the Paracel islands.

Expectedly, these patrols drew strong criticisms from China. However, it is worth noting that both the UK and France stopped short of explicitly naming their operations FONOPs, likely with the understanding that such a move could heighten tensions with China and add unnecessary

uncertainty and instability in the region.

Nevertheless, the involvement of more external powers in the South China Sea is likely to cause concerns within Southeast Asia with regards to the increase possibility of the region becoming an arena for major power rivalry. Southeast Asian countries, as well as ASEAN, want to avoid a situation in which it would be forced to choose sides between China and the US.

Moving into 2019, the focus for ASEAN would be to maintain momentum towards the early conclusion of the COC negotiations. The main challenge would be to keep the Chinese engaged and interested.

Some argue that Chinese agreement to start negotiations for the COC with ASEAN after the 2016 Tribunal Ruling, was inherently at attempt by Beijing to salvage its international image, after an embarrassing defeat at the Tribunal. Accordingly, the offer of an olive branch to ASEAN could be seen as Chinese attempt to 'buy time' while it continued its military build-ups in the South China Sea.

The litmus test of Chinese commitment towards the COC would be its adherence to the timeline put forward by Premier Li Keqiang to complete negotiations within three years.

ASEAN should work closely with China according to this timeline, with the aim of achieving tangible interim outcomes along the way. As Singapore Prime Minister Lee Hsien Loong said: "[ASEAN and China] should aim for the completion of the first reading of the code of conduct in 2019."

Overall, while there are foreseeable turbulences in the year ahead, there is hope that ASEAN and China can maintain the trajectory of peace in the South China Sea, if both parties work hand in hand to keep the momentum of cooperation going.



JAPAN | 18 DECEMBER | THE ASAHI SHIMBUN

Japan's new defense policy adds 'effective aircraft carrier'

New defense guidelines calling for the enhancement of capabilities to deal with security risks at sea, online and in outer space have been approved by the Cabinet of Prime Minister Shinzo Abe.

INDIA | 3 DECEMBER | THE PRINT

Indian Navy to get 56 new warships in next 10 years, including third aircraft carrier

The government has approved the acquisition of 56 warships over the next 10 years, including six submarines, Admiral Sunil Lanba, the Chief of Naval Staff, said Monday.

[Full Report](#)

TAIWAN | 4 DECEMBER | TAIWAN NEWS

Taiwanese domestic shipbuilder gets bid to build 11 corvettes, 4 minelayers

Military officials on Sunday (Dec. 2) announced domestic ship maker Lung Teh Shipbuilding has won the bid to mass produce 11 Tuo Chiang-class corvettes and four minelayers for the country's Navy, reported Liberty Times.

[Full Report](#)

UNITED STATES | 5 DECEMBER | USNI NEWS

U.S. Destroyer Conducts FONOP Near Russian Pacific Fleet Headquarters

A U.S. Navy guided-missile destroyer conducted a freedom of navigation operation on Wednesday near the home of Russia's Pacific fleet.

[Full Report](#)

SOUTH KOREA | 7 DECEMBER | YONHAP

Daewoo Shipbuilding wins 444 bln-won contract for submarine rescue vessel

Daewoo Shipbuilding & Marine Engineering Co., a major shipyard here, said Friday that it has won a 444 billion-won (US\$397 million) deal to build a submarine rescue vessel.

[Full Report](#)

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UNITED STATES | 11 DECEMBER | DEFENSE NEWS

US Navy, Missile Defense Agency shoot down an intermediate-range ballistic missile in space

The U.S. Navy and Missile Defense Agency continued a hot streak Tuesday when they successfully shot down an intermediate-range ballistic missile target in space from its Hawaii-based Aegis Ashore facility.

[Full Report](#)

PAKISTAN | 12 DECEMBER | THE NEWS INTERNATIONAL

Pakistan Navy inducts first upgraded ATR aircraft and Sea King helicopters

Pakistan Navy has inducted its 1st Marinized/Upgraded ATR aircraft and Sea King Helicopters (Ex Mod UK) in its fleet to augment effectiveness and enhance its operational capability.

[Full Report](#)

CHINA | 12 DECEMBER | GLOBAL TIMES

Two-seat J-15 fighter jet boosts carrier capability: experts

A modified two-seat variant of the J-15 fighter jet was spotted at a Chinese aircraft carrier training base in a recent TV program, suggesting the carrier-based warplane is already being tested and expected to greatly expand the carrier's combat capability with electronic warfare equipment that one pilot cannot manage.

[Full Report](#)

RUSSIA | 12 DECEMBER | TASS

Russia's Pacific Fleet to get corvettes and submarines armed with cruise missiles

Russia's Pacific Fleet will soon get six diesel-electric submarines, eight corvettes and also a destroyer, nuclear-powered subs and small missile ships armed with cruise missiles, Pacific Fleet Commander Admiral Sergei Avakyan said in an interview with the Defense Ministry's newspaper Krasnaya Zvezda on Wednesday.

[Full Report](#)

AUSTRALIA | 13 DECEMBER | NEWS.COM.AU

Concerns raised as Australia finalises its \$50 billion submarine deal

The Australian government says it has finalised the details of a controversial deal with a French company to build a new fleet of submarines for Australian naval forces, despite concerns the project is too expensive and could prove insufficient.

[Full Report](#)

MALAYSIA | 13 DECEMBER | THE SUN DAILY

RMAF in critical need of a full spectrum of

maritime patrol aircraft

The Royal Malaysian Air Force (RMAF) needs a full spectrum of Maritime Patrol Aircraft critically in line with regional geostrategic development and the national economic interests, the Dewan Negara was told today.

[Full Report](#)

CHINA | 13 DECEMBER | JAPAN FORWARD

Randall Schriver: 'Not Much Distinction' Between China's Navy and Militia Fishing Boats

The wide-ranging and substantive interview held on November 21 started off with the most contentious issue: China.

[Full Report](#)

UNITED STATES | 17 DECEMBER | USNI NEWS

CNO Richardson Wants Aggressive Timelines for New Weapons, Operational Concepts in Updated Navy 'Design'

Chief of Naval Operations Adm. John Richardson lays out aggressive acquisition goals and overhauls in how the Navy develops new technologies and implements operating concepts in a sweeping 2.0 revision of his Design for Maintaining Maritime Superiority.

[Full Report](#)



CHINA | 18 DECEMBER | THE WASHINGTON FREE BEACON

China Flight Tests New Submarine-Launched Missile

China carried out a flight test of a new submarine-launched ballistic missile last month that will carry multiple nuclear warheads capable of targeting most of the United States, according to American defense officials.

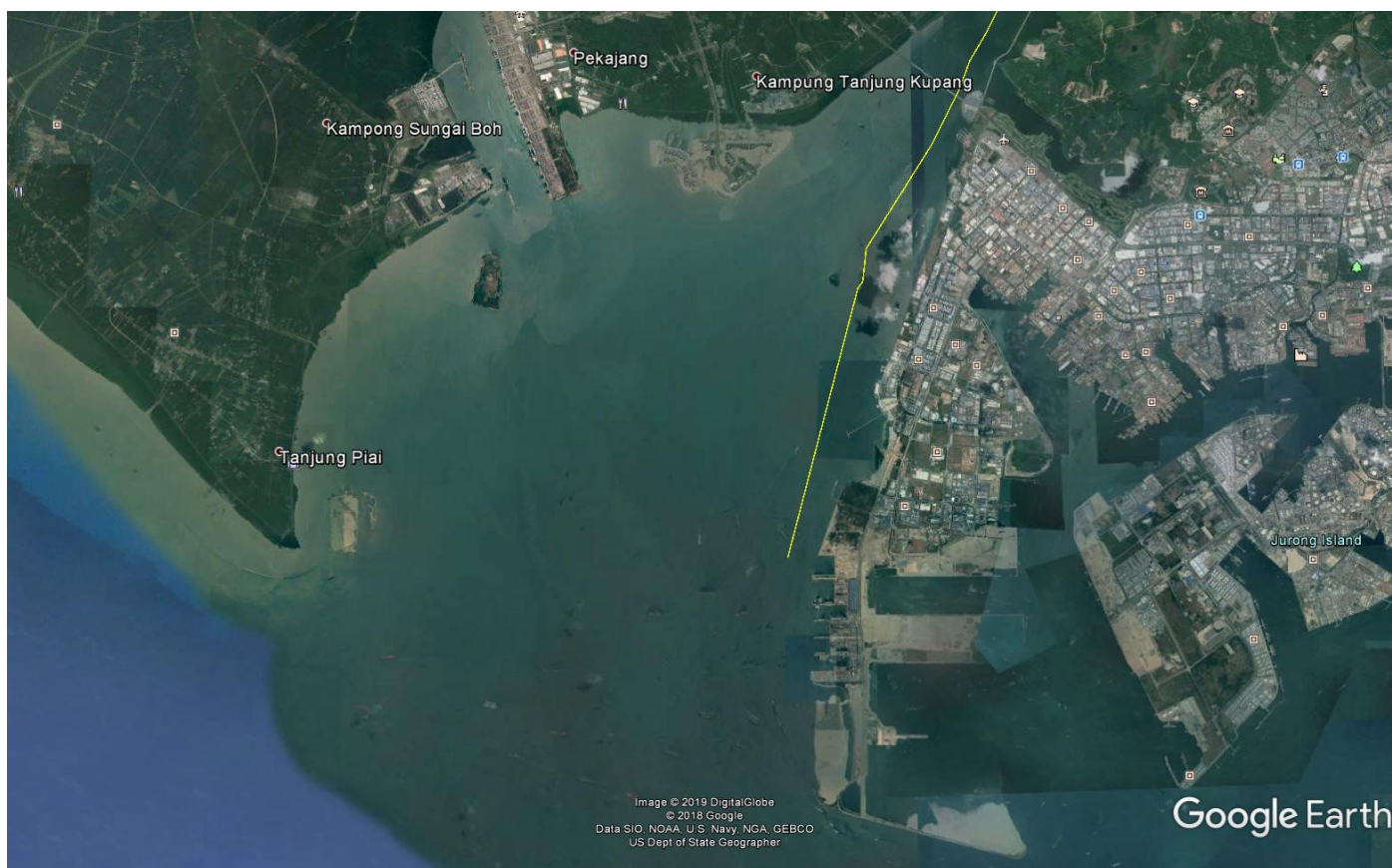
[Full Report](#)

SOUTH KOREA | 26 DECEMBER | YONHAP

S. Korea completes preliminary design of new submarine

South Korea has completed the preliminary design of a 3,000-ton indigenous submarine that features capabilities for longer-duration and speedier underwater operations, Seoul's arms procurement agency said Wednesday.

[Full Report](#)



MALAYSIA-SINGAPORE | 4 DECEMBER | THE STRAITS TIMES

Singapore lodges protest with Malaysia over actions that infringe on Republic's sovereignty

Singapore has lodged a strong protest with the Malaysian government over recent actions that impinge on Singapore's sovereignty, and warned that it will not hesitate to take firm action against intrusions and unauthorised activities in the Republic's territorial waters.

[Full Report](#)

ASEAN-SRI LANKA | 2 DECEMBER | THE SUNDAY TIMES

Sri Lanka hosts VBSS training course for SE Asia navies

A Visit, Board, Search and Seizure (VBSS) course for the boarding teams of Indonesian, Malaysian and Philippine Coast Guard, Police and Customs concluded at the Navy Special Boat Squadron (SBS) Headquarters in Trincomalee last week.

[Full Report](#)

MALAYSIA | 3 DECEMBER | THE STAR ONLINE

State governments urged to finalise their borders to avoid overlapping claims

State governments in the Peninsular have been asked to expedite and finalise the demarcation and measuring of their borders to avoid overlapping claims.

[Full Report](#)

INDONESIA | 4 DECEMBER | ANTARA NEWS

Modernization of "Alutsista" expected to suppress crimes in Indonesian waters

House of Representatives' Commission III member Ahamd Sahroni is optimistic that modernization of the Weaponry System (Alutsista) in the Water and Air Police (Polairud) Corps would help maintain security and suppress crimes in Indonesian waters.

[Full Report](#)

INDONESIA | 4 DECEMBER | REUTERS

Officials say boat carrying Rohingya Muslims lands in Indonesia

Indonesian authorities said a boat carrying 20 men believed to be Rohingya Muslims landed on the northeastern shore of Indonesia's Sumatra island on Tuesday.

[Full Report](#)

CHINA-JAPAN | 4 DECEMBER | THE ASAHI SHIMBUN

Japan protests Chinese gas drilling vessel in East China Sea

Japan has lodged a protest with China over the deployment of a drilling vessel to the East China Sea for maritime gas exploration, Chief Cabinet Secretary Yoshihide Suga told reporters on Dec. 3.

[Full Report](#)

MALAYSIA | 6 DECEMBER | THE MALAY MAIL

Sabah police confirm pirates attacked tugboat near Kinabatangan

Sabah police chief Datuk Omar Mammah has confirmed that armed pirates tried to hijack a tugboat near Kinabatangan yesterday evening and injured the boat's skipper before getting away.

[Full Report](#)

THE PHILIPPINES | 7 DECEMBER | PHILIPPINE NEWS AGENCY

PCG commissions 2 patrol boats for anti-smuggling ops

The Philippine Coast Guard (PCG) has commissioned two additional French-manufactured patrol boats for its anti-smuggling operations across the country, an official said Friday.

[Full Report](#)

INDONESIA-MALAYSIA | 17 DECEMBER | ANTARA NEWS

Unofficial lanes at Indonesia-Malaysia border area already closed

Five unofficial small lanes at the Indonesia-Malaysia border area in the West Kalimantan Provincial district of Kapuas Hulu have been officially closed.

[Full Report](#)

CANADA-CHINA | 21 DECEMBER | CBC NEWS

Canadian surveillance plane buzzed by Chinese off North Korea, DND reveals

A Canadian military surveillance aircraft monitoring United Nations sanctions was harassed in international airspace off North Korea by the Chinese military — part of "a pattern of behaviour that's inappropriate," Canada's top military commander said Wednesday.

[Full Report](#)

JAPAN-SOUTH KOREA | 21 DECEMBER | REUTERS

Japan accuses South Korea of 'extremely dangerous' radar lock on plane

Japanese Defence Minister Takeshi Iwaya "strongly protested" to South Korea on Friday after a South Korean destroyer allegedly locked its targeting radar

on a Japanese surveillance plane..

[Full Report](#)



[Wikimedia Commons](#)

JAPAN-SOUTH KOREA | 23 DECEMBER | YONHAP

S. Korea's military rejects claim of targeting Japanese patrol aircraft

South Korea's Navy warship used an optical camera to identify an approaching Japanese patrol aircraft last week, military sources said Sunday, rejecting Tokyo's claim that it had directed its fire-control radar at the plane.

[Full Report](#)

CHINA | 26 DECEMBER | PEOPLE'S DAILY

China's escort capability significantly improved after 10 years of escort missions

The Chinese military has conducted over 1,190 escort missions, safeguarding the voyages of more than 6,600 merchant ships from China and abroad in the Gulf of Aden since the first escort fleet was dispatched 10 years ago, showing significant progress in the nation's naval escort capability, experts said.

[Full Report](#)

CHINA-JAPAN | 27 DECEMBER | THE MAINICHI

Japan protests to China as fishing boat flees with inspectors aboard

Japan has protested to China after a Chinese fishing boat believed to be operating illegally in its waters fled from the site for half a day with Japanese inspectors on board, the government said Thursday.

[Full Report](#)

JAPAN | 29 DECEMBER | THE MAINICHI

Japan to beef up monitoring of islands by using satellite images

The government is considering beefing up its monitoring activities over remote islands that define Japan's territorial waters and exclusive economic zones, using images captured by state satellites, government officials said Saturday.

[Full Report](#)



GLOBAL | 13 DECEMBER | JOC.COM

Cost found to outweigh port automation benefits

Mounting pressure from mega-ship calls is pushing container ports towards automating their operations, but McKinsey research suggests terminals will struggle to achieve the reduction in operating expenses and the rise in productivity required to justify the investment in automation.

[Full Report](#)

MALAYSIA | 3 DECEMBER | NEW STRAITS TIMES

Malaysia's fish stock in danger of being depleted

The country's fish stock is in danger of being depleted owing to over-exploitation and poaching.

[Full Report](#)

MALAYSIA | 6 DECEMBER | THE EDGE MARKETS

Penang Port may lose 20% of cargo traffic volume

Penang Port may be at risk of losing 20% of its cargo traffic volume unless its logistics' efficiency improves, said Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT) Joint Business Council (JBC) Malaysia chairman Datuk Faudzi Naim Noh.

[Full Report](#)

INDONESIA | 8 DECEMBER | ANTARA NEWS

Indonesia concerns about live reef fish trade

Indonesian Minister of Maritime Affairs and Fisheries Susi Pudjiastuti has expressed concern about the issue of consumed live reef fish which was very popular in the international market.

[Full Report](#)

GLOBAL | 10 DECEMBER | CONTAINER MANAGEMENT

Maersk introduces alternative to cargo insurance for customers

Maersk has introduced an extended liability solution, Value Protect, as an alternative to cargo insurance with the aim to increase customers' chance of receiving full compensation if damages occur in transit.

[Full Report](#)

INDONESIA | 10 DECEMBER | ECO-BUSINESS

First Indonesia tuna fishery achieves MSC Certification

The PT. Citraraja Ampat Canning, Sorong Pole and Line Skipjack and Yellowfin Tuna (PT CRAC) has become the first fishery in Indonesia, and the second in Southeast Asia, to be certified to the internationally recognised Marine Stewardship Council (MSC) standard for sustainable fishing.

[Full Report](#)

VIETNAM | 11 DECEMBER | VIETNAMNET

VN commits to reduce ocean plastic waste

Protecting the marine environment and restoring the ecosystem has been identified as one of the major objectives for sustainable development in Vietnam, Minister of Natural Resources and Environment Tran Hong Ha said.

[Full Report](#)

VIETNAM | 14 DECEMBER | VIET NAM NEWS

Struggling Vinalines to open container shipping centre next week

The Vietnam National Shipping Lines (Vinalines) will open a logistics centre for container shipping on December 17 as part of moves to restructure the State-owned firm, according to Deputy Director General Đỗ Thị Ngọc Trang

[Full Report](#)

CHINA | 17 DECEMBER | HELLENIC SHIPPING NEWS

China ECA Expands

China has established a coastal emission control area (ECA) and inland emission control areas that will cap sulphur content of marine fuels from 1 January 2019.

[Full Report](#)

PAKISTAN-SAUDI ARABIA | 20 DECEMBER | THE NEWS INTERNATIONAL

Cabinet to approve MoU for Saudi oil refinery in Gwadar

The federal cabinet scheduled to meet today (Thursday), is expected to approve the MoU regarding setting up of an oil refinery in Gwadar by Saudi Arabia.

[Full Report](#)

CHINA-KENYA | 21 DECEMBER | AFRICA FEEDS

Kenya's Mombasa port risks Chinese takeover

China is likely to takeover Kenya's port of Mombasa if the East African country defaults on loans from China's Exim Bank.

[Full Report](#)

SOUTH KOREA | 24 DECEMBER | HELLENIC SHIPPING NEWS

Korean Shipbuilders on a Roll as LNG Tanker Orders Keep Coming

With the year of 2018 coming to an end, Korean shipbuilders are continuing to win orders for LNG tankers from overseas shipping companies.

[Full Report](#)

CHINA | 24 DECEMBER | PR NEWS WIRE

Qingdao announces financial incentives to further the development of the local cruise tourism sector

Qingdao, a coastal city in eastern China's Shandong province, recently rolled out a program of incentive policies combined with new services, with the aim of accelerating the build out of the China Cruise Tourism Development Experimental Zone in Qingdao and the city's transition into an international tourism destination.

[Full Report](#)



INDIA-AFGHANISTAN-IRAN | 25 DECEMBER | THE NEW INDIAN EXPRESS

India takes over Chabahar Port operations in Iran

The trilateral agreement, signed in May 2016, entails the establishment of a transit and transport corridor among the three countries using Chabahar Port as one of the regional hubs.

[Full Report](#)

SINGAPORE | 27 DECEMBER | THE STRAITS TIMES

Keppel O&M snags \$300m worth of marine contracts

Keppel Corp said yesterday its unit Keppel Offshore & Marine (Keppel O&M) has secured new marine contracts with a combined value of \$300 million.

[Full Report](#)