Volume 33, Number 5.1 15 May 2015

Inside this Brief

- Maritime Editorial………..p. 4
- Maritime Security…………..p. 24
- Shipping News……………..p. 46
- Maritime Environment…….p. 53

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Improving Order in the East China Sea

Clear Strengths, Fuzzy Weaknesses in China’s Massive Military Build-Up

Rethinking China's Maritime Militia Policy

Iran's latest Round of Maritime Brinksmanship

A Naval Base on the Horn of Africa for China?

The Unstrung Pearl in Sino-Indian Relations

Call to Embrace China Projects

Maritime Efforts 'To Help Others'

Indian ‘Project 15B’ Navy Destroyers—Too Little, Too Late

US Supports Efforts of Indo-Pacific Countries to Provide Maritime Security

China Tries to Lure India with Deep Sea Mining Deal in Indian Ocean

Japan, Philippines to Hold First Naval Drill in South China Sea

Vietnam Wants PM Narendra Modi to Raise Maritime Security Issue with China

India to Monitor Maritime Traffic in IOR

US Navy Conducts Naval Exercises with Malaysia

India’s Nukes Driving China's N-Modernization

Six New BRAHMOS Missile Systems for Indian Navy Likely

Flinching on Japan in Malabar

Vizhinjam Port: Navy, Coast Guard May not Get Berths
Indonesian Naval Ship Calls at SNC

Time to Foster Bilateral Ties Beyond Chinese Shores

Ship Operator Confirms Maersk Tigris Ship Released by Iran, Crew Safe

INS Tarangini to Take Part in Tall Ship Races in Europe

Precious Shipping Snubs Bulker Delivery from Sainty Marine

Iranian Navy to Escort Cargo Ship to Yemen

Advanced Marine Solutions Assumes Greek Distributorship Role for AQUAMETRO

Dry Bulk and Container Shipping to Remain Weak, Outlook for Ports and Tankers Positive

Belize Offshore Oil Plan Will Ruin a Pristine Marine Environment

Marine Environment Protection Committee opens Boat Show in Miami Committed to Protecting Environment

UN Shipping Body Shelves Emissions Target
Improving Order in the East China Sea

- Erik French

A stronger Code for Unplanned Encounters at Sea is vital for avoiding the threat posed by interstate incidents at sea. The accidental escalation of interstate incidents at sea has the potential to pose a serious threat to maritime security and stability in the Asia-Pacific Region. Competing territorial claims and disputes over freedom of navigation have generated a growing number of standoffs at sea involving military, law enforcement, and civilian vessels. With aircraft playing chicken, fishing vessels ramming coast guard ships, and naval forces intimidating one another's auxiliaries, there is a growing potential for an accident that could escalate into conflict.

Statesmen in the region have sought to reduce this risk through a maritime security order undergirded by confidence-building mechanisms. The most recent development in this order is the Code for Unplanned Encounters at Sea (CUES). Adopted a year ago in April 2014 by the West Pacific Naval Symposium (WPNS), CUES institutionalizes a set of suggestions for prudent behavior and clear communication at sea. As highlighted at a recent CSCAP meeting, however, the CUES agreement has some significant limitations.

Four major problems keep CUES from constituting an effective regime for maritime stability and order:

- CUES is underspecified, particularly with regards to advance notification of hazardous manoeuvres or exercises. CUES encourages national authorities to provide "warnings" of dangerous activities but does not stipulate when these warnings should be issued. This stands in sharp contrast to INCSEA – one of the inspirations behind CUES – a similar accord between the US and the Soviet Union, which contained a provision requiring parties to notify one
another “not less than 3 to 5 days in advance” of activities which could “represent a danger to navigation or to aircraft in flight.”

- CUES is designed to apply only to naval forces. Many interstate marine incidents in the Asia-Pacific do not involve naval forces, however. These conflicts frequently involve coast guards and fishermen. If regional statesmen truly hope to preserve stability at sea, these guidelines must be broadened and adjusted to apply to all ships regardless of the colour of their hull.

- CUES contains no explicit provisions requiring joint training. By failing to incorporate joint exercises, drills, or education, the code squanders an opportunity to reinforce its guidelines and to facilitate confidence-building at the operational level.

- Most importantly, CUES’ guidelines are a voluntary code rather than a binding agreement. CUES makes this immediately clear in its text: “WPNS navies that choose to adopt CUES for naval cooperation do so on a voluntary and non-binding basis.” As a consequence, states can defect from the code as they see fit without consequences for their international reputations or national honour.

These limitations suggest that CUES, while constituting a step in the right direction, is insufficient to maintain stability at sea in the Asia-Pacific region. The U.S. must seek to develop an improved code – an upgraded CUES. A better agreement would include the same guidelines as CUES but 1) incorporate coast guards into these regulations, 2) develop annual training and exercises, and 3) further specify requirements for advanced notifications regarding hazardous activities. U.S. policymakers must also push for a binding agreement, similar to the 1972 INCSEA deal with the Soviet Union. Although binding agreements do not guarantee compliance under an anarchic international system, there is a reason why states give more weight to them than they do to voluntary codes: Leaders recognize that both their government’s reputation and their nation’s honor will be undercut if they violate the agreements.
An updated maritime order should also aim to alleviate public pressure on leaders to remain intransigent in the event of an unplanned incident at sea. Previously, Beijing has imposed media blackouts on incidents at sea to stymie the outbreak of nationalistic protests. Coordinating press blackouts in the event of an accident at sea might give policymakers the opportunity to de-escalate without losing face.

One major challenge to these proposals is China’s hesitancy to sign binding pacts that could limit its freedom of action at sea; indeed, China’s concern that the term “code” connoted a legal arrangement initially held up CUES. The U.S. should deploy a mix of policies to overcome Chinese reluctance. First, policymakers can bolster the incentives for China to consent to a CUES 2.0 by incorporating limitations on armed surveillance in EEZs into the new maritime regime. U.S. military surveillance in China’s EEZ has long been a source of consternation for Beijing. Incorporating restrictions on armed surveillance would help alleviate some of these concerns for China but still allow the U.S. to conduct unarmed naval surveillance in EEZs in accordance with international law. Second, the U.S. and its allies should seek to limit the potential gains China could derive from noncompliance. In particular, Washington must demonstrate its resolve to oppose any use of provocative naval tactics to alter the regional status quo. Finally, the U.S. and its allies should strengthen coast guard and military contacts with China, using these opportunities to persuade Chinese officers that an upgraded CUES agreement will serve the interests of all regional states.

Source: Diplomat, 4 May 2015

**Clear Strengths, Fuzzy Weaknesses in China’s Massive Military Build-Up**

- Andrew S. Erickson

The U.S. Defense Department’s new assessment of China’s fighting ability paints a picture of a force in the midst of a broad-based modernization at a pace that other militaries would envy. It has increased its ability to exert leverage in the East and South China seas, where it is in territorial disputes with its neighbors. Significantly, it
has also added to its ability to project its power further afield, adding to the global reach of the People’s Liberation Army.

But military effectiveness is about more than hardware. The report cites a number of areas where the PLA’s human resources and organizational effectiveness are lacking, though Beijing is taking steps to rectify those. The report’s own limitations in this area underscore the difficulty in judging how effective Chinese forces can be.

In the immediate area around China, the report released on Friday says, “PLA ground, air, naval, and missile forces are increasingly able to project power to assert regional dominance during peacetime and contest U.S. military superiority during a regional conflict.” China’s advancements and a defense budget 10 times greater have eroded Taiwan’s ability to defend itself. It has used incremental, salami-slicing tactics to assert effective control over contested areas and features in places like the South China Sea. Rapid South China Sea island reclamation adds to Beijing’s ability to establish forces there.

To an already impressive array of short-range ballistic missiles opposite Taiwan, China has added more anti ship ballistic missile capabilities allowing it to engage vessels within 900 nautical miles of the Chinese coastline. It has improved communications systems for its intercontinental ballistic missile units and has launched more surveillance satellites that will improve targeting. Improving launch capabilities will allow even greater satellite payloads. To counter the space capabilities of potential adversaries, it is deploying “jamming equipment against multiple communication and radar systems and GPS satellite systems” on sea and air platforms, the report said.

China’s navy is also making strides, with the report saying it now possesses the largest number of vessels in Asia. Their quality had improved dramatically. For example, the Luyang-III-class destroyer, which first entered service in 2014, has a vertical launch system capable of firing anti ship cruise missiles, land-attack cruise missiles, surface-to-air missiles and antisubmarine missiles. The Type 055 guided-missile cruiser slated to begin construction in 2015 will have similar armaments.
Their improved capabilities mean Chinese naval task forces will increasingly be able to take a protective umbrella with them to distant seas far removed from China’s land-based air defense systems.

China is adding to its fleet of civil-maritime vessels, which play a key role in its territorial disputes in nearby waters. By the end of 2015, a decade-long construction effort will have yielded a net increase of 25% more ships. Many older platforms are being replaced by new and improved ones, with many more having helicopter embarking capability than previously.

In the air, China’s military is less capable but still improving. The Pentagon anticipates the maiden flight of the fifth J-20 low-observable fighter prototype in 2015, while the J-31 fighter may be offered for export. China “is the only country in the world other than the United States to have two concurrent stealth fighter programs,” it says. It concludes that the Chinese air force “is rapidly closing the gap with western air forces across a broad spectrum of capabilities.”

Ground force materiel is typically last in sophistication, although the report offers few specifics. It does draw attention to China’s major deployment of internal security forces. This pattern has only grown in response to dozens of deaths from domestic unrest and terrorism in recent years, particularly in conjunction with China’s restive Xinjiang region.

China still lacks some critical technologies, industrial processes, and related know-how, but in those areas it can get help from abroad. Russian and Ukrainian economic woes are facilitating Chinese access to advanced expertise and systems. Much technology acquired for commercial aircraft and other civilian programs has military applications. The report documents multiple cases of Chinese nationals seeking to transfer foreign technology illegally.

That’s the hardware. The brains behind it the software, if you will is another story. China hasn’t fought a major conflict since a 1979 clash with Vietnam. It’s training
and combat effectiveness remain open questions. Logistics and intelligence support remain key constraints on Chinese operations, particularly in the Indian Ocean.

The report suggests China is aware of its deficiencies. As part of enhancement of training realism emphasized by President Xi Jinping, the PLA is increasing joint exercises. Further reforms likely under consideration include reducing non-combat forces and the relative proportion of ground forces; raising the proportion and roles of enlisted personnel and non-commissioned officers vis-à-vis commissioned officers; bolstering “new-type combat forces” for naval aviation, cyber, and special forces operations; establishing a theater joint command system; and reducing the current seven military regions that divide its forces by as many as two.

To bolster its eyes, ears, and presence in the Indian Ocean area, the report says, Beijing “will likely establish several access points in this area in the next 10 years.” That could include agreements with local partners for refueling, crew rest and low-level maintenance, though it will likely fall short of broader support.

In this area the report itself is incomplete and at times contradictory, underscoring how difficult it can be to look at the software end of military might. For example, the report offers an incomplete, seemingly uncritical analysis of the “new type of major power relations” advocated by Xi Jinping and other Chinese officials. This may be part of a larger pattern in which the Obama Administration has fallen into the trap of appearing to embrace this loaded meme, which carries Chinese expectations of Washington accommodating China’s “core” sovereignty interests without reciprocal concessions from Beijing.

The report also misses a chance to put in full context the important keynote address that Xi delivered at the CCP Central Foreign Affairs Work Conference in 2014. While the full text remains unavailable in public, subsequent bureaucratic activities and official statements suggest that it may represent a watershed in Xi’s exhorting officials to propose more assertive external policies. Given the clarity it brings to details of Chinese security hardware, it is unfortunate that the report couldn’t shed more light on the high-level policies that inform its development and employment.
Despite those deficiencies, the new report contributes to vital public knowledge of China’s military-security development. Chinese officials will likely denounce its findings but won’t address specifics, underscoring a likely inability to disprove anything more than a few technicalities. What apparently bothers Beijing far more than any facts revealed is the very notion that Washington would seek to bring transparency and open discussion to the state and trajectory of what is now the world’s second military by many measures all the more reason why the report’s imperfect yet irreplaceable contribution is invaluable.


Rethinking China’s Maritime Militia Policy

- Zhang Hongzhou

Given its trans-boundary nature, marine fishing inevitably carries an important political and diplomatic function, particularly in waters where disputes exist. It is no secret that China, Vietnam, and other countries in the Asia-Pacific have considered fishermen important players in strengthening its maritime presence in disputed waters. They are provided with financial and political support to undertake fishing activities in the contested waters, while countries have been known to deploy fishing boats to confront each other during maritime crises. For instance, both China and Vietnam dispatched fishing vessels during the recent 981 oil rig row.

In recent years, amid rising tensions in the South China Sea and East China Sea, the region has witnessed a growing number of incidents involving Chinese fishing boats. Some of these incidents have sparked tensions between China and its neighbors. While it is an exaggeration for some commentators to conclude that China is waging a “People’s War” at sea, there is no denying that the Chinese government has taken steps to strengthen the fishing industry’s role in protecting
the country’s maritime interests in the disputed waters and that developing a strong fishing fleet is being considered an integral approach to become a sea power.

In 2013, Chinese President Xi Jinping, during a visit to the Tanmen fishing town of Qionghai city in Hainan province, advised the maritime militia members to “not only lead fishing activities, but also collect oceanic information and support the construction of islands and reefs.” Some Chinese scholars and security experts have argued that maritime militia should be China’s first line of defense in disputed waters, particularly in the South China Sea. In the past few years, several coastal cities in China have established fishing militia forces.

While one could argue that for the purposes of safety and self-defense, fishermen would benefit from better organization and training, the concept of maritime militia needs to be reexamined in light of ongoing maritime disputes. It is true that Chinese fishing boats played an important role in the early days of the PLA Navy. And during the Sino-Vietnam Naval clash in 1974, Chinese fishermen proved to be a valuable force. Nonetheless, China’s maritime militia policy needs to be reconsidered.

First, China now has one of the largest and most advanced naval fleets in the region and much stronger maritime law enforcement forces, and no longer needs maritime militia to protect its interests. Some advocates of the maritime militia policy argue that given the civilian nature of maritime militia, it could well safeguard China’s interests in disputed waters and prevent military clashes between China and its neighbors. However, growing nationalism in China and neighboring countries, which raises the stakes in these disputes, could allow one small fishing boat incident to trigger severe diplomatic and security tensions, as evidenced in the 2010 Diaoyu/Senkaku boat collision incident and the 2012 Scarborough Shoal (Huangyan Island) standoff.

Second, militarizing fishermen could put their lives in danger, while politicizing the marine fishery sector could jeopardize the whole industry. As maritime disputes between China and neighboring countries intensify, Chinese fishermen are already facing growing dangers in the East China Sea and the South China Sea. Perceived
as PLA proxies, Chinese fishermen are vulnerable to the actions of other countries. Maritime incidents in the South China Sea between 2002 and 2012 claimed the lives of more than 100 fishermen from Tanmen alone.

Third, under the Chinese market economy, fishermen are ultimately profit seekers. This is particularly so as traditional Chinese fishermen are replaced with peasant workers from the inland provinces who have no much emotional attachment to the seas, and are simply determined to make money as quickly as possible. As fishery stocks rapidly deplete in China’s inshore waters, these fishermen are inclined to cross boundaries to fish in disputed waters or even in other countries EEZs beyond the nine-dash lines. This practice risks hijacking China’s foreign policy and undermining relations with neighboring countries.

Fourth, a maritime militia could use patriotism as a cover to undertake illegal fishing activities. For instance, fishermen in China’s Tanmen were praised by Xi Jinping during his visit in 2013 for protecting China’s maritime interests in the disputed waters in South China Sea. Because their ancestors have been fishing in the South China Sea since ancient times, they refer to it as “Ancestor’s Sea.” In recent years, the rise of the giant clam handicraft industry has completely transformed this old fishing town. Over the past few years, more and more fishermen have turned from fishing to harvesting giant clams, which offer bigger profits. Similarly, in the East China Sea, as prices of red coral have skyrocketed in recent years, fishermen from Zhejiang and Fujian go after the red coral in the waters near the disputed Diaoyu/Senkaku islands. Driven by huge profits, some Chinese fishermen even travel hundreds of kilometers to waters near Japan’s Ogasawara to poach coral from the seabed. Poaching coral reefs, sea turtles and other endangered species not only contravenes international law but also Chinese domestic regulations, apart from threatening the marine ecology and jeopardizing China’s international image.

The maritime militia policy thus incurs far more costs than benefits for China and the region. Given the tensions brewing in the South China Sea and the East China Sea, and in light of the intense competition for scarce fishery resources in the region, the
concept of a maritime militia policy is obsolete and should be discarded. Instead, China should take the lead in establishing a multilateral fishing management framework to regulate IUU fishing, manage fishing disputes, and prevent incidents from escalating.

Source: Diplomat, 10 May 2015

Iran’s latest Round of Maritime Brinksmanship

- Daniel Dolan

Iran’s recent seizure and release of the Marshall Islands flagged M/V Maersk Tigris could be what Iran claims it is, a reaction to a decade-long dispute over shipping containers that were diverted to the UAE and never delivered to Iran. More likely however, it is a thinly veiled attempt at brinkmanship to remind the United States of the kind of trouble that Iran can stir up in the Strait of Hormuz.

The beef with Maersk over undelivered containers likely provided Iran with just enough plausible deniability to create an incident in the Strait of Hormuz at a time when many U.S. 5th Fleet assets were reportedly preoccupied with operations against Islamic State in Iraq and Syria (ISIS) in the northern Persian Gulf, and while monitoring the crisis off the coast of Yemen. Iran conveniently took the opportunity to exploit its unique geographic position astride the strait to put a spotlight on the strategic king on their chessboard—control of the Strait of Hormuz. U.S. naval forces are now confronted with competing requirements in the troubled region.

During the Cold War the United States and the Soviet Union would ramp up military activity during nuclear arms negotiations. While political leaders met in Moscow, Washington, or Iceland, U.S. and Soviet forces would often face off in the air, on, and under the sea, and stare each other down over artillery tubes along the Iron Curtain. This brink-of-war saber-rattling became known as “brinkmanship.” The exercises were an attempt to leverage for a better position at the negotiations. Many
Cold War veterans will recall that during the SALT and Intermediate Nuclear Missile Treaty negotiations, the world’s oceans were buzzing with air and naval activity. Iran’s posturing is no different. It serves as a reminder of the trouble it can cause in this strategically important region of the world.

Iran’s seizure did generate a modest reaction from the U.S. Navy. As of late April, the United States began deploying warships to “accompany” (vice escorting) vessels while transiting the straits. If nothing else, this under-reported event represents the first such deliberate protection of merchant vessels in the region since Operation Earnest Will (July 1987–September 1988). The USS Farragut, an Arleigh Burke-class DDG, was reportedly sent to the straits to accompany U.S.-flagged merchants.

The Maersk Tigris seizure presents a strategic dilemma for the United States, which, among other things, needs access to the northern Persian Gulf to sustain combat operations against ISIS forces in Iraq and Syria. In cooperation with Iraq’s Shia-led government, Iran is also operating against ISIS. However, it is noteworthy that Iran’s operations against ISIS are not dependent upon the sea for access to the fight. The often troublesome IRGN forces remain focused on their A2/AD mission in the Gulf.

For instance, Iran’s show of force at sea really began in late February with the Great Prophet 9 exercise. This year’s exercise featured the debut of Iran’s 5/8th scale model of a Nimitz-class nuclear carrier as the target barge and an impressive 500 speedboat pass and review in the Strait of Hormuz at the conclusion of the exercise.

When U.S. satellites originally detected the CVN mock-up in early 2014, Iran claimed that the mock CVN was a set for a movie about the downing of the Iranian Airbus Flight 655 by the cruiser USS Vincennes in July of 1988. U.S. officials have always suspected that it would be used as a target barge. A trailer for the movie about the unfortunate events in July of 1988 has not yet surfaced from Iran’s film studios, but in any case, the swarm attacks during Great Prophet 9 lend clear evidence that the CVN is the grand prize target for the Iranians.
Despite being reported as sunk by many sources, in mid-March the mock up CVN returned to Bandar Abbas damaged, but still afloat. It appears that Iran’s scale model CVN will be ready for a sequel in 2016.

As with Cold War–era brinkmanship, the real target of Iran’s massive naval exercise and seizure of the Maersk Tigris are the political leaders who are weighing the merits of the P-6 nuclear deal with Iran.

As such, this latest episode in the Strait of Hormuz should serve as a reminder that if the Iranian nuclear deal fails in a way that humiliates Iran, or leads to military strikes against Iran’s nuclear targets, access to the Persian Gulf will be, at a minimum, severely hampered for months.

A more immediate strategic dilemma for the United States will be the loss of access to the northern Persian Gulf for operations against ISIS, and the United States will also lose Iran’s tacit cooperation against fighting ISIS. In short, American naval operations in the northern Gulf will no longer occur in the low threat environment that is enjoyed today. Instead, U.S. forces will face a lethal array of A2/AD threats when operating in the Persian Gulf. The sea-based fight against ISIS from the gulf will be brought to a halt for months.

The Maersk seizure and the recent Great Prophet 9 exercise should remind U.S. leaders that Iran’s asymmetric A2/AD forces can and will exact a cost if war should come to Iran’s shores. In a growing list of bitter paradoxes confronting the United States in the region, in such a conflict where the United States “rolls back” Iran, ISIS and other Sunni extremists ironically will grow stronger as the U.S. shifts its focus to Iran. Iraq’s army will also be weakened when Iranian Shia forces that are backing them are recalled to defend their own country. Discerning what is the greatest threat to U.S. national security Iran’s nuclear program, or ISIS is really the pivotal strategic question.

A Naval Base on the Horn of Africa for China?

- Ankit Panda

According to Djibouti’s president, Ismail Omar Guelleh, “discussions are ongoing” with China for a potential military base off the coast of the small African country, located on the strategically important Horn of Africa, along the heavily trafficked Bab-el-Mandeb Strait. The naval base will likely be set up in the port city of Obock, along the northern coast of the Gulf of Tadjoura.

According to Agence-France Presse, Guelleh added that China’s presence in the country would be “welcome.” If the negotiations are successful, Djibouti would become host to China’s first overseas military base. Per a February 2014 bilateral agreement, Djibouti gave the Chinese navy permission to use its naval facilities.

Hua Chunying, spokeswoman for China’s foreign ministry, was reluctant to discuss the topic in detail, when questioned on Guelleh’s comments by a report:

We have noted the relevant report. China and Djibouti enjoy traditional friendship. Friendly cooperation between the two sides has achieved constant growth over recent years, with practical cooperation carried out in various fields. What needs to be pointed out is that regional peace and stability serves the interests of all countries and meets the aspirations shared by China, Djibouti and other countries around the world. The Chinese side is ready and obliged to make more contributions to that end.

Djibouti is home to military bases for the United States, Japan, and France, among other states. Its strategic location makes it an important hub for global navies that seek to combat piracy off the Horn of Africa, in the Red Sea, and in the Gulf of Aden. The United States uses its base in Djibouti, known as Camp Lemonnier, to stage covert operations involving Remotely Piloted Aircraft in Yemen, Somalia, and other nearby regions. Japan, meanwhile, stations just under 200 personnel there from its Maritime Self-Defense Forces for counter-piracy operations.
Recently, in late March and early April, various Chinese People’s Liberation Army Navy (PLAN) vessels evacuated Chinese and foreign citizens from Yemen after the start of the Saudi-led aerial bombardment campaign there to Djibouti. China’s Linyi and Weifang missile frigates, and Weishanhu supply ship all participated in the evacuation.

As China’s navy grows increasingly global in its operations, it has cited anti-piracy operations as one of the primary drivers of its expeditionary activity. In addition to surface ships, last year China sent its Shang- and Song-class submarines into the Indian Ocean. Most visibly, the PLAN’s 17th and 18th naval escort taskforces, comprising various amphibious landing ships, missile frigates, and supply vessels, were sent to the Gulf of Aden last year. In December 2014, China dispatched the PLAN’s 19th naval escort taskforce to Somalia, and in April 2015, it sent the 20th taskforce.

Given the increasing frequency of PLAN operations in the region and the growing number of Chinese vessels transiting the waters off the Horn of Africa and the Arabian peninsula, a permanent military installation would help China support these missions. Beyond counter-piracy, however, long-term Chinese military presences in Djibouti will likely cause alarm, particularly for the United States and India. The United States is concerned about China’s growing global military presence while India remains concerned about China’s ability to frictionless project power in the Indian Ocean.

Energy security could be another possible reason China is interested in securing a permanent installation in Djibouti. This, however, is less convincing. Despite their general strategic importance as heavily trafficked sea lanes, the waters of the Red Sea and the Bab-el-Mandeb Strait, according to 2013 data, lag well behind the Straits of Hormuz and Malacca in terms of their criticality to China’s energy import security. 18 percent of China’s imported natural gas and 43 percent of its imported crude oil transits the Strait of Hormuz. Malacca, similarly, is a transit route for 30 percent of China’s natural gas imports, and more spectacularly, 82 percent of
China’s crude oil. Meanwhile, just 4 percent of China’s natural gas imports and 3 percent of its crude oil imports transit the Bab-el-Mandeb.

Source: The Diplomat, 13 May 2015

The Unstrung Pearl in Sino-Indian Relations

- Kai Xue

China’s port investment spree in Indian Ocean countries has triggered a debate about what it might mean for Indian security. The prevailing Indian view is that it’s a ‘string of pearls’ to encircle India. The concern intensified last month with the announcement by President Xi Jinping of a $45-billion package for Pakistan to build a road network from Kashmir to Gwadar port.

When Prime Minister Narendra Modi’s visits China this week, his focus is on trade and the border. It is opportune now to consider the connection between tensions at the border, suspicion about newly-built ports, and lagging bilateral trade and investment. These elements are joined at the hip, sinking and rising together. If one element is afflicted by categorically negative perception, the entire set can sink.

This visit can shift the current readiness for high seas confrontation to the groundwork for business integration. With the unveiling this year of ‘One Belt, One Road’, an Eurasian integration plan that will be the Xi administration’s signature international initiative, this is the time for perception and policy to be remained and reconfigured.

‘One Belt, One Road’ is composed of a Silk Road Economic Belt linking interior China to Central Europe through a trade corridor via Central Asia and Russia, and the Maritime Silk Road connecting coastal China to the Mediterranean by routes across the Indian Ocean and South-east Asia. The Indian Ocean is a main node in this sprawling commercial network.
The initiative will be more than infrastructure. It will flood the region with low-cost financing and engineering expertise and facilitate the standardization of trade and finance. China will be the primary project financier, having established the Asia Infrastructure Investment Bank that is to supplant the Japan/US led Asian Development Bank, and has pledged an initial $40 billion of investments through the Silk Road Fund.

China’s commercial intent goes against the view of Indian strategists who anticipate in the ‘string of pearls’, a diabolical Chinese strategy manifested in port investments in Sri Lanka, Bangladesh, Maldives, Mauritius, and, most saliently, at Gwadar in Pakistan. These security strategists see a collective military menace sponsored by the Chinese government.

So, will the ‘string of pearls’ wrap around India as the strategists fear? Or will it be a piece of the infrastructure panoply of ‘One Belt, One Road’? The answer is swayed by the context of border tensions. As long as military activity near India’s borders is trumped with alarm, its rational for Indians to be concerned about encirclement through infrastructure-construction despite China’s undoubted commercial motive.

However, the border dispute is clouded by fog and the cause of tensions can be based on flimsy misperception. Reports in India of border incursions by China have unsettled bilateral relations. But the border is not demarcated by agreement. Instead there are ‘lines of perception’ asserted by each side. At some sections the lines of perception overlap, forming in between a stand-off space as wide as 10 km. A patrol by one side can be an incursion across the other’s line, and yet remain inside the ambit of one’s own territory.

The current picture is of a sinister China at the border and on the littoral. But visualize a completely different picture. Imagine instead India as ambitiously seeking to become integrated into the ‘string of pearls’. This is not a stretch of the imagination as a 8 Chinese-built port was supposed to have been built in Kerala in 2006. With state government backing and a Chinese contractor lined up, port construction was set to commence. Considering the state government’s support,
this would not have been the case of another pearl slipped across the string. However, Delhi intervened and disallowed the investment, citing national security risk.

If the project had been realized, continue imagining a map of Chinese-built ports in the Indian Ocean. With a pearl dotting Kerala, whatever pattern emerges isn’t a string. Instead, the ports across the map look like scattered loose pearls.

Indians felt provoked in November 2014 when a Chinese submarine docked in Sri Lanka. But it is anxiety that grew after an imaginary string emerged from investment prohibition by the last administration.

It is within Delhi’s control to cut this string, disperse the pearls, and accordingly change perception. On this trip, Narendra Modi wants to discuss opening the door to Chinese investment and Indian participation in ‘One Belt, One Road’. With new imagination comes an inversion in thinking. India will see unstrung, loose pearls for the taking.

Source: Economic Times, 13 May 2015

Call to Embrace China Projects

- Charu Sudan Kasturi

The Narendra Modi government's dismissal so far of ambitious new connectivity projects announced by Chinese President Xi Jinping risks backfiring on India, a growing section within the country’s strategic establishment has warned ahead of the Prime Minister’s visit.

Former national security advisers (NSA), diplomats and maritime experts have cautioned that India instead needs to engage more with China on these projects
that have attracted support from key nations in Asia, Africa and Europe.

The One Belt One Road (OBOR) initiative, announced by Xi in September 2013, is the Chinese President's signature foreign policy initiative, and is aimed at carving out modern trade corridors - through land and sea - connecting Asia, Europe and East Africa.

"Don't close the door on it," former foreign secretary and ex-NSA Shyam Saran told The Telegraph. "Before taking a stand, we ought to engage the Chinese, understand what the components of the initiative are, and whether and how India can participate to its advantage."

Engagement with China on the initiative would also allow India to try and influence it from within to protect its interests, some of the experts argued. India has protested China's decision to invest in building a part of the land corridor - called the China Pakistan Economic Corridor - through Pakistan-Occupied Kashmir.

"Conveying our concerns over those components of this project that violate our sovereignty must also be a key part of the engagement," Saran said.

The OBOR consists of two major components named after ancient trade corridors that connected the Eurasian land mass - a Silk Road Economic Belt on land, and a Maritime Silk Road binding the South China Sea, South Pacific Ocean and the Indian Ocean through a series of ports.

Over the past 20 months, over 50 countries in Asia, East Africa and Central and Eastern Europe have committed to participating in the initiative, including India's neighbors like Pakistan and Sri Lanka. China has promised $46 billion worth investments just for the Pakistan leg of the project. It has created a Silk Route Fund, and launched an Asian Infrastructure Investment Bank (AIIB) that several
US allies in Europe have also joined, and which will finance OBOR projects.

But India, while joining the AIIB, has largely avoided even speaking on the OBOR. "We have not really had a detailed discussion on this subject," foreign secretary Subrahmanyam Jaishankar said yesterday, when asked about India's position. "It is not for us to welcome it or not welcome it."

Instead, India has unofficially pitched its own rival corridor - named variously as Project Mausam, Cotton Route, and Spice Route - but has neither specified the terrain it will cover, nor hinted at any financial commitment yet.

"China is supporting its neighborhood policy with its deep pockets," Kishan Rana, a former Indian ambassador in Mauritius, Kenya, Algeria, Germany and Czechoslovakia, said. "India's foreign aid budget is a tiny fraction. If China takes an initiative to build infrastructure that we can use too, we should be open to joining it."

Some components of what will be subsumed in the OBOR predate Xi’s announcement - like the Bangladesh China India Myanmar (BCIM) corridor building a network of roads that will connect India's Northeast to the country's immediate eastern neighbors.

But the BCIM corridor project remains trapped in differing goals and mutual suspicion. "I am not really sure whether we have anything new to report on this," Jaishankar said on Tuesday, when asked about the project.

Few within India's government and strategic community doubt the economic benefits for India from joining the OBOR initiative.

"You need money to bring about the connectivity the Modi government has indicated it wants to focus on. And if you are getting a wealthy partner in China, why not?" said Gurpreet Khurana, Executive Director of the National Maritime
Foundation, the country's premier maritime strategy think tank.

In a recent column, former NSA Shivshankar Menon pointed to the Chinese initiatives and India's own connectivity proposals in the Indian Ocean, and wrote "we have to see" how these can work together, to ensure they don't become "mutually exclusive zero-sum endeavors."

But while China has proposed linking up the OBOR with Indian initiatives, junior foreign minister V.K. Singh told Parliament last week New Delhi was not considering any such linkage.

Security concerns are critical in India's reticence towards the OBOR - and China's commitment to build the corridor through PoK has only reinforced worries in New Delhi about a larger strategic game-plan to encircle India. But India's approach may not be the best, Rana said. "Why not be inside the tent and try and shape it rather than staying outside?" he asked.

India's reaction till now also appears driven partly by a "false sense of nationalism," Khurana said. "We cannot tolerate the idea of playing second fiddle to China in something, even if it helps us," he said. "Both India and China -- as Asian societies -- love symbolism. But China backs that up with pragmatism. We don't."

Source: Telegraph India, 14 May, 2015
Maritime Efforts 'To Help Others'

China's ongoing efforts to build and upgrade infrastructure on islands and reefs in the South China Sea will improve its maritime search and rescue capability and help other nations, according to military experts. They were speaking after China invited the international community to use its facilities in the waterway for anti-piracy and humanitarian missions.

"Anyone can see from the hunt for Malaysia Airlines Flight MH370 that China lacks sufficient maritime search and rescue force in the South China Sea," Yin Zhuo, director of the Expert Consultation Committee of the People's Liberation Army navy, told China Daily.

"Under international maritime conventions, China has responsibilities to perform rescue operations in the South China Sea. "However, if our rescue team is based in Hainan province, it will take several days for large ships to reach the scene of a wreck, and aircraft will have short ranges due to fuel limitations," he said. "So it is very necessary to construct or upgrade infrastructure on islands and reefs in the South China Sea, as we can then send rescue ships and planes there in case of emergency."

Yin's remarks follow an invitation from the top commander of the PLA navy for the international community to use Chinese facilities in the South China Sea for anti-piracy and humanitarian missions. Admiral Wu Shengli said China's construction work on islands and reefs will not threaten freedom of navigation and over flights.

"Instead, the infrastructure will enhance China's capabilities to provide public services such as weather forecasting and maritime assistance."
"It will enable China to better perform its international obligation to protect maritime security," Wu was quoted as saying in a news release by the PLA navy. Wu was speaking last week in his first video conversation with Admiral Jonathan Greenert, the US Navy's chief of naval operations.

Zhang Junshe, a senior researcher at the PLA Naval Military Studies Research Institute, said Wu made the offer to help the US to understand China's intentions behind its construction and upgrading efforts. During their discussion, Wu urged the two navies to maintain regular communication between their leaderships, to deepen exchanges between their front-line commanders and sailors, and to stage more joint drills.

However, he warned that close-range reconnaissance operations by US ships and aircraft of Chinese military assets are "totally out of step" with the two nations' efforts to improve their relations.

Wu asked the US to cherish the ties between the two countries and their militaries. Greenert said he hopes both countries will strengthen implementation of the Code for Unplanned Encounters at Sea, and avoid accidents in the air and at sea caused by misunderstanding or misjudgment.

Source: English Anhuinews, 4 May 2015

**Indian ‘Project 15B’ Navy Destroyers—Too Little, Too Late**

Creation of a batch of destroyers under project 15A and the recent launching of the first destroyer in the series 15B are undoubtedly a sign of success of the Indian defense industry.

India is making progress in its endeavor to emerge as a formidable military-industrial power. However, a comparison of these construction programs of large destroyers with similar Chinese programs clearly demonstrates that attempts to maintain parity in the naval race with China are potentially ruinous for India at least
for now, says Vasily Kashin, expert at the Center for Strategic and Technological Analysis.

Destroyers of the Kolkata class and Improved Kolkata class (Projects 15A and 15B), which include the recently launched INS Visakhapatnam, are well armed. They are equipped with 16 powerful supersonic anti-ship missiles Brahmos developed jointly with Russia, and air defense systems Barak NG produced together with Israel.

These ships have radars and electronic equipment of Israeli and Russian origin. More than 65% of the cost of INS Visakhapatnam is covered by Indian equipment and material. However, basically, these are low-tech components, including steel for the body of the ship. India has launched one destroyer in the project 15A, is completing the construction of two more, and is planning to build a total of 4 destroyers in the Project 15B. However, recent publications on the theme “Beware of China” are an exaggeration, says Vasily Kashin.

Latest Indian destroyers can be considered roughly equivalent to the Chinese ships designed under the project 052C. The first such destroyer “Lanzhou” was inducted into the South China Fleet 10 years ago in 2005. Ships of the project 052C are equipped with radars with active phased antenna arrays. The Chinese ship also carries more anti-aircraft missiles, which have a longer range. Anti-ship weaponry may be weaker than in the Indian ships, but with the advent of China’s new generation of supersonic cruise missiles like YJ-18, it can be reinforced at the next upgrade.

Thus, we are talking about an approximately ten-year lag behind China. But in fact the situation is even worse. 052C are almost entirely Chinese-built ships. The first few still carried Ukrainian turbines, just like the Indian destroyers, but since then China has mastered independent production of such turbines in Harbin.

But the project 052C is yesterday. Ongoing at present is the construction of a series of at least 12 destroyers in the project 052D, the first of which became part of the Chinese navy last year. These new-generation ships are equipped with multi-
functional 64-cell vertical launch devices, modelled on modern American destroyers. They have even more perfect electronic equipment and can carry supersonic missiles YJ-18.

Chinese successes are mainly based on their indigenous industry, while India continues to depend on foreign suppliers and has limited budget allocations. At present, India does not have the ability to participate in a full-scale naval race with China.

Its only advantage is an easier access to foreign military technology than China. But this is not enough for success. Unable to respond to the Chinese naval power with a symmetrical growth, India will have to find its own unique asymmetric ways of solving the problem to maintain its naval supremacy in the Indian Ocean.

Source: IBC World News, 4 May 2015

**US Supports Efforts of Indo-Pacific Countries to Provide Maritime Security**

- Lalit K Jha

The US supports the efforts of Indo-Pacific countries to provide maritime security, which incorporates peaceful resolution of territorial or maritime claims as well as freedoms of navigation and over flight.

"The United States supports efforts of the Indo-Pacific region countries to provide maritime security. That includes counter-piracy and counter-trafficking operations as well as humanitarian assistance and disaster relief," said Jeff Rathke, Acting Deputy Spokesperson of the State Department, yesterday.

This includes fundamental international principles such as freedom of navigation, freedom of over flight, and other lawful uses of the sea and airspace, as well as the peaceful resolution of territorial or maritime claims, he said.
"So we support Sri Lanka's efforts to contribute to maritime security and to fulfill its important role as a leading maritime nation in the Indo-Pacific region," Rathke said.

He said the US and Sri Lanka are working together to oppose intimidation or the use of force to assert territorial or maritime claims. The US also support the legal uses of sea and air space, and also the rights that are to all states, big states and small states, he added.

Source: Outlook, 6 May 2015

**China Tries to Lure India with Deep Sea Mining Deal in Indian Ocean**

- Saibal Dasgupta

China has come up with a sweetheart deal to break through India's resistance to its attempt to access the Indian Ocean. It is offering India an opportunity to participate in joint seabed mining in the ocean, which has strong potential of yielding expensive minerals.

"China and India are both developing countries and contractors with the International Seabed Authority, so we have a lot in common and plenty of opportunities for further cooperation," said He Zongyu, deputy director of the China Ocean Mineral Resource R&D Association.

The offer comes ahead of Prime Minister Narendra Modi's three-day visit to China starting May 14. The issue is likely to figure in the official level talks. China is looking towards India for accessing the Indian Ocean because it feels that Sri Lanka cannot be fully relied upon for this task. The new government in Sri Lanka has suspended work on two Chinese funded projects including the construction of port city of Colombo, which had been contracted by the previous government.

Chen Lianzeng, deputy director of China's State Oceanic Administration, who visited India on April 20, made the offer of joint seabed exploration recently. He also
suggested the two countries enhance cooperation on oceanic research and development. India is an ideal partner because the two countries are almost at the same level in terms of the development of deep seabed mining, He said.

"If we cooperate, we could share the costs, the risks and the benefits," He said. Though called "association", it is really an official body entrusted with the task of exploration and development of ocean floor and subsoil.

India may have to consider not just the risks of allowing access to the Indian Ocean but the fact that deep seabed mining is an extremely expensive business. The cost for one mining site is upwards of $1.6 billion, according to him. Besides accessing the Indian Ocean, China wants New Delhi to give up its plans for joint exploration for oil with Vietnam in a portion of the South China Sea, which China claims as its own territory. China has been opposing this part of India-Vietnam relationship for a long time.

China won a contract from the International Seabed Authority for a polymetallic sulfides exploration area of 10,000 square kilometers in the southwest Indian Ocean in 2011. It has also signed two contracts for exploration areas in the Pacific Ocean.

"But the rich findings in the Indian Ocean make this area a focus for China's future work," the official Xinhua news agency said. Last March, a Chinese manned deep-sea submersible Jiaolong finished a 118-day expedition in the Indian Ocean. It discovered several new hydrothermal vents deep-sea fissures that emit hot water. The findings could help research into resources and environments of seafloor sulfide deposits that contain various metals, Xinhua said. China also sent research vessel Dayang Yihao making it the first time that two major oceanic research facilities working in the Indian Ocean at the same time.

Source: Times of India, 7 May 2015
Japan, Philippines to Hold First Naval Drill in South China Sea

- Tim Kelly and Manuel Mogato

Japan and the Philippines will hold their first joint naval drill this month in the South China Sea near a disputed shoal claimed by Beijing, sources in Tokyo and the Philippines said.

The May 12 maritime safety exercise, which will practice the code for unplanned encounters at sea, known as CUES, is part of an agreement signed by Japan and the Philippines in January aimed at tightening security cooperation.

The nature of the training is unlikely to worry China unduly, as it has conducted similar exercises with the United States in the past. But the presence of Japanese naval vessels in the South China Sea signals Japan's growing interest in the region, and may irritate Beijing as criticism of its land reclamation projects there mounts.

"The exercise will not be far from Scarborough Shoal," one of the sources in Japan said, referring to a rocky outcrop, which China seized in 2012 after a three-month standoff with the Philippines. The two-hour practice within Philippines territorial waters near Subic Bay, a former U.S. navy base, will involve a Japanese warship and a Philippines navy frigate, a representative at the Philippines Navy said.

A spokesman for Japan's Maritime Self Defense Force declined to comment. China, which claims about 90 percent of the 3.5 million sq km (1.35 million sq mile) South China Sea, is asserting its territorial claims by building a chain of man-made islands on coral reefs in the Spratly archipelago. The Philippines, Taiwan, Malaysia, Brunei and Vietnam also claim large parts of the sea.

Recent satellite images show China is reclaiming land around seven reefs in the Spratlys, and is building what appears to be an airstrip on one of the artificial islands.
Although it has no territorial claims in the South China Sea, Tokyo is worried that Beijing’s domination of the region could give it control of international waterways through which a significant portion of Japanese trade travels. Japan’s military is considering joining the United States in maritime air patrols in the South China Sea as a counterweight to growing Chinese power, sources familiar with the discussions told Reuters last month.

That strategy, which is being encouraged by the Philippines, is spurring closer security ties between Manila and Tokyo. Their defense agreement in January also established regular vice-ministerial defense talks and exchanges of senior officers.

Source: Abs-cbn News, 9 May 2015

**Vietnam Wants PM Narendra Modi to Raise Maritime Security Issue with China**

Vietnam has accused China of carrying out activities violating its sovereignty in the disputed South China Sea and hoped Prime Minister Narendra Modi would raise the issue of maritime security with China during his upcoming talks with the Chinese leadership.

"China has carried out activities in Spratly which is violation of our sovereignty in the region," Directorate of External Information's Director General Le Van Nghiem told a group of visiting Indian journalists. India and Vietnam have enjoyed good relations and New Delhi always supported Hanoi whenever China tried to violate Vietnamese sovereignty, especially its strategic island, Spratly, he said.

"We don’t know if the issue of maritime security in the region (Southeast Asia) will be raised in the meeting between Modi and his Chinese counterpart. But if India raises its stand with China it could be beneficial for both Vietnam and India," Nghiem said when asked about Modi’s scheduled visit to China from May 14 to 16.
China claims almost all of the South China Sea as its part which is hotly contested by Vietnam, the Philippines, Malaysia, Brunei and Taiwan. Nghiem said India's state-run ONGC has been carrying out oil exploration in Vietnam waters despite resistance by China. India had signed a deal with Vietnam to explore for oil in South China Sea - a disputed area between China and Vietnam.

Noting that India can help Vietnam in a tactical manner, he said, "India is our strategic partner. We not only cooperate in the field of trade and business, but also in defense." Nghiem said that in the defense and economic sectors the two countries have lot of scope specially weapons and oil.

Hanoi is keen on acquiring the BrahMos supersonic cruise missiles from India. When asked about the issue, he said, "Only defense ministry could comment on it." Vietnam hopes Prime Minister Modi to undertake an early visit to Hanoi to further boost ties with the strategic nation on the easternmost Indochina Peninsula in Southeast Asia.

"Our government has already extended an invitation to Indian Prime Minister which was accepted by him. We are ready to welcome him any time later this year," he told reporters who were here on a four-day-long visit to attend the 40th anniversary of 30-year long Vietnam War and its reunification.

In the last one year, India and Vietnam witnessed a series of bilateral visits with Vietnamese Prime Minister Nguyen Tan Dung travelling to India in October at the invitation of Modi. In September, President Pranab Mukherjee visited the strategic nation on a four-day visit. Recently, Lok Sabha Speaker Sumitra Mahajan also visited Vietnam.

Source: Economic Times, 10 May 2015
India to Monitor Maritime Traffic in IOR

At a time when the entire world is worried about China’s confrontations in the Indian Ocean and South China Sea, India makes a bold move to counter the Asian giant’s growing influence in the Ocean named after it. India, seriously concerned about China’s threat to the freedom of navigation in the Indian Ocean, has signaled a vast strategic shift in its ‘China’ policy by deciding to collect information from 24 countries about movements of ships not only in the Ocean, but also in South China Sea.

Immediately after the Cabinet Committee on Security (CCS) approved the plan on Monday, a senior Indian official said that the plan, covering the area from the Eastern African Coast to Indian Ocean and South China Sea, was aimed at countering the Chinese hegemony in the region.

The official, who wished to remain anonymous, stressed that although India has no territorial claims in South China Sea per se, it has always considered the Sea as an antechamber of the Indian Ocean because of the flow of maritime traffic.

The timing of India’s announcement regarding the monitoring of maritime traffic in the Indian Ocean is important as it came ahead of Prime Minister Narendra Modi’s May 14-16 visit to Beijing. India, which has considered the Chinese bases in the Indian Ocean as a threat to the regional peace, has made a calculated move in order to create an opportunity for Modi to raise the ‘Indian Ocean’ issue during his meetings with the top Chinese leadership.

Earlier this year, India’s National Security Adviser Ajit Kumar Doval said: “Global expansion of China is a reality. It is true that things will be affected globally with whatever China does. The region will be affected. India will also be impacted. We just feel that the change in the order should be internationally approved.”

Meanwhile, Indian Navy Chief Admiral Robin Dhowan said that the CCS’ approval allowed the Navy to go ahead for collecting white shipping (non-military shipping) information. “We will go country by country to have greater transparency of what all
(ships) passes through these waters,” stressed Admiral Dhowan. He explained that ground-based, airborne and space-based monitoring systems in 24 countries would collect information about all ships and share with India only the data of merchant shipping.

However, the Navy chief did not make any comment on the Chinese influence in the IOR. He informed the press that the plan is not against any particular country or any group of countries, but only to serve India’s maritime interests. “The IOR is in the primary area of interest,” he stressed, describing the Indian Ocean as the ‘centre of gravity for the maritime world’. Nearly 66% of all oil, 50% of all container traffic and 33% of all cargo traffic sail through these waters.

Indian Ocean – the third largest ocean in the world that covers around 20% of water on the earth’s surface – has a great regional and global importance as nearly 100,000 ships, carrying 700 million tons of cargo, pass through it every year. There are four transit ‘choke-points’ in the Indian Ocean and the dominating one is the Straits of Malacca, the waterway connecting the Ocean with the South China Sea.


**US Navy Conducts Naval Exercises with Malaysia**

Carl Vinson Carrier Strike Group, Carrier Air Wing 17, and Destroyer Squadron 1 has conducted naval exercises with Malaysian air and surface units in the South China Sea.

These bi-lateral training events were in support of Commander, US 7th Fleet theatre security cooperation objectives. As part of the program, the strike group carried out a photo exercise, a 5in gun exercise, dissimilar air combat training (DACT) and an expendable maneuverable acoustic training target exercise.
The DACT portion of the training saw the CVW 17 F / A-18 Hornets and Super Hornets joining Malaysian SU-30, MiG-29N, and FA-18D Hornets to train in various combat situations.

The training included single aircraft engaging single aircraft, as well as complex multi-aircraft combat scenarios. During the EMATT exercise, the guided-missile USS Gridley worked with its Royal Malaysian Navy counterpart, KD LEKIR (FGS 26), to practice dual-ship, anti-submarine warfare.

DESRON 1 operations officer lieutenant commander Shelby Nikitin said: "The EMATT exercise allowed both US and Malaysian navies to track a live target that was threat representative." The EMATT exercise allowed both US and Malaysian navies to track a live target that was threat representative."

"This was excellent practice for both. We were impressed with the capabilities of the Royal Malaysian Navy." The US and Malaysia collaborates on a number of security matters, including counterterrorism, maritime domain awareness, and regional stability. Carl Vinson Carrier Strike Group commander Rear admiral Chris Grady said: "We greatly value our relationship with the Royal Malaysian military.

"Exercises like these are mutually beneficial and show our commitment to nurturing and deepening our bi-lateral ties with partner nations throughout the region." The Carl Vinson Carrier Strike Group is aimed to support maritime security operations and theatre security cooperation efforts in the Indo-Asia-Pacific region.

Source: Naval-Technology, 12 May 2015

**India’s Nukes Driving China’s N-Modernization**

- Dinakar Peri

India’s nuclear weapons force is one of the drivers for continued Chinese nuclear force modernization, the U.S. Department of Defense said in its annual China

The report states that a new generation of mobile missiles with multiple warheads is intended to ensure viability of China’s strategic deterrent in the face of continued advances in the U.S. and, to a lesser extent, Russian precision strike and missile defense capabilities.

“Similarly, India’s nuclear force is an additional driver behind China’s nuclear force modernization,” it added. The report noted “some ambiguity” in China’s stated “no first use” policy over the conditions under which the policy would apply.

**Border tensions**

China continues to pursue a “long-term, comprehensive military modernization program designed to improve its armed forces’ capacity to fight short-duration, high-intensity regional conflicts,” the report observed and referred to the contained tensions on the India-China border, “despite increases in China-India political and economic relations.” The report noted that, “Pakistan remains China’s primary customer for conventional weapons.”

The report also takes note of the growing Chinese maritime capabilities to operate far from mainland referring to the recent deployment of nuclear powered submarines in the Indian Ocean “ostensibly” in support of its counter-piracy patrols and “demonstrating an emerging capability both to protect China’s sea lines of communications and increase China’s power projection into the Indian Ocean.”

The huge difference in defense spending also found a mention in the report. While China’s defense budget of $165 billion for 2014 grew at an average of 9.5 per cent over the past decade, India’s budget currently stands at $38 billion.
Modi’s visit

The timing of the report coincides with the upcoming visit of Prime Minister Narendra Modi to China, which has raised expectations of a positive outcome on the contentious border issue. China on Monday expressed “strong opposition” to the U.S. report, which, it said ignores facts, makes speculation and continues to play up the “so-called China threat” and urged the U.S. to abandon its “Cold War mentality.”

Source: Hindu, 13 May 2015

Six New BRAHMOS Missile Systems for Indian Navy Likely

- PTI

The Government is likely to pave the way for six new BRAHMOS supersonic cruise missile systems for the Indian Navy worth about Rs 2,700 crore besides taking a call on Army's proposal for acquiring BAE’s M777 Ultra-Light Howitzers, in the Defense Acquisition Council meeting to be held Wednesday.

Defense sources said the issue of the US$ 2.5 billion Avro replacement program is also likely to be discussed. Besides the Avro, the big ticket proposal for Wednesday's meeting is six new BRAHMOS systems with 89 supersonic missiles.

The cost of the project will be around Rs 2,700 crore, sources told PTI. Another important proposal to be discussed is BAE Systems' offer to build a howitzer factory in India to close a deal valued at nearly US$ 800 million. It was first considered by the UPA regime but underwent a quiet burial due to differences over price and offset commitments.

However, keen to sell its guns to India, the American company has offered to be part of the 'Make in India' initiative, sources said, adding that the firm is ready to set up an assembly line here with a local partner to make the guns domestically.
The sources said it would be a government-to-government deal between the US and India. The Army, which is in desperate need of new artillery guns, is keen that Foreign Military Sales (FMS) option be revived for BAE’s guns and that a fresh Letter of Offer and Acceptance be floated to the US. Another key proposal that would come under discussion is the lone bid of Airbus-TATA consortium to replace IAF’s ageing fleet of 56 Avro aircraft with C-295 transport carriers. A final decision was anticipated in November last year but Parrikar had then sought more information about the necessity of the aircraft and the bidding process. Under the current defense procurement policy, single-vendor situation is not entertained unless cleared by the DAC.

Source: Brahmand, 13 May 2015

**Flinching on Japan in Malabar**

- Bharat Karnad

Some of us were hoping against hope that Prime Minister would gird up his courage and formally invite Japan to participate in the annual Malabar naval exercise involving the Indian and the US Navies to be conducted later this year, and to join in its planning. It was not to be, he buckled under pressure from MEA, which has always been extraordinarily careful not give offence to China, even as the Zhongnanhai (the Chinese policy complex) has never cared about India’s concerns and interests when announcing a slate of military aid and development assistance projects, in the Northern Areas Gilgit, Hunza, and Baltistan, part of the erstwhile princely state of Jammu & Kashmir occupied by Pakistan since 1947 and hence very much a territory India has claimed, but as I repeatedly said, never made a fuss about.

This is a repeat occurrence because the Congress party coalition govt had similarly invited Japanese naval planners some years back to partake of the Malabar
Exercise planning, thought better of it, and at the last possible moment rescinded the entire planning exercise, after the US and Japanese naval officers were already in town! That such lily-livered decision would ensue from Narendra Modi as well, is something of a shock.

But by now, it is clear Modi heeds bureaucratic advice even when it goes against the national interest. On this occasion, rather than exercise his own judgment and sense of realpolitik, and over-rule the MEA and make a big show of welcoming Japan into the grouping of Malabar naval powers, a day before flying off to Xian, which would have sent a powerful message to Xi that this is not anymore the India of Manmohan Singh. Instead, Modi has once again proved that he simply doesn’t have the gumption to stand up to Beijing. He will undoubtedly receive a warmer embrace from Xi and a noisier welcome.

The MEA’s action of calling in the Chinese ambassador yesterday to protest Chinese Karakoram Highway project passing through the Northern Areas, was obviously an afterthought to still the expected criticism of the decision to keep Japan out of Malabar. Japanese Admirals who, uncharacteristically, have often publicly voiced their frustration with India in various forums during their visits to New Delhi, will now have an extra reason to feel let down. The Japanese PM, Shinzo Abe, who has invested much political capital in courting India will begin to worry about this investment turning bad. Modi may well permit the Japanese navy officers to join in the tripartite Malabar planning scheduled for sometime in July. But by then, India and Modi will have missed the stage and the occasion to make a strong statement. Besides, such restraint will confirm India’s standing to ASEAN states, and even Australia, as a country that cannot be relied on when the going gets tough.

As stated in the preceding blog, weak geostrategic and the strategic vision deficiency of the country is a deadly combination. It will keep India tethered to smallness of endeavor and aspiration, and provide proof of India as a fairly inconsequential power.
The odds-on bet is that Modi will return, as his predecessors did after their sessions of kowtow in Beijing, with nothing much to show for his forbearance and supposed tactfulness in not upsetting China, except some small favors that the Chinese Emperor has always bestowed on weak states that accept China's supremacy.

Source: Bharat Karnad, 13 May 2015

**Vizhinjam Port: Navy, Coast Guard May not Get Berths**

- Tiki Rajwi

When the State Government is about to award the contract for the Vizhinjam seaport to Adani Ports, the Navy and the Coast Guard which had consistently sought space for their ships in the new port will be out of the picture, more or less.

Over the years, both the agencies had repeatedly asked for berths at the proposed Vizhinjam port. Indications are that this is not going to materialize.

“They are not in the picture now,” Ports Minister K Babu said on Wednesday. Under an agreement reached between the Navy and the State Government in 2013-14, the former would be allocated space provided they bore the expenses.

The Navy had agreed to bear the cost, which was pegged at Rs 498 crore. Under that agreement, the Navy would get 500 metres of berth and the Coast Guard, which has a station in Vizhinjam, 120 metres. The berths should have been constructed on the breakwater portion.

The strategic location of Vizhinjam and the Navy’s own plans to expand had prompted it to pitch for space at the proposed Vizhinjam port. However, the plan had fallen through as the Ministry of Defense did not clear the proposal, even though the Southern Naval Command had cleared it and forwarded it to the Naval
HQ. This being the situation, the State Government had decided to go ahead with the project with Defense participation.

But now, even the State Government’s enthusiasm about providing space to the Defense agencies at the port has cooled, it is understood. The reasons, sources said, being that it would hinder commercial activities at the port and that the private partner may not be amenable to sharing space.

Source: Indian Express, 14 May 2015

**Indonesian Naval Ship Calls at SNC**

- Express News Service

Indonesian Naval Ship KRI Banjarmasin reached Kochi for a three-day visit to the Southern Naval Command.

Captain Beni Sukandari, the Commander of the Kartikeya Jala Kridaya Task Force, is sailing on board and Commander Rakhmat Arief Bintoro is the Commanding Officer of the visiting foreign ship.

On Tuesday, commander of the task force and the commanding officer accompanied by the Resident DA Indonesia Col (Navy) Arif Harnanto called on Southern Naval Command Flag officer Commander-in-Chief Vice Admiral Sunil Lanba and Southern Naval Command Chief of Staff Rear Admiral R B Pandit. During the visit, various interactions with Southern Naval Command are being carried out.

The Indonesian Naval personnel will visit training facilities at Southern Naval Command and a visit by Indian Navy personnel to the ship is also scheduled. KRI Banjarmasin is en route to Italy to participate in World Expo Milano 2015 and will depart from Kochi on Thursday.
Time to Foster Bilateral Ties Beyond Chinese Shores

- Harsh V Pant

Though most of the attention is focused on prime minister Narendra Modi’s visit to China this week, he will also be going to Mongolia and South Korea. These visits are important in their own right and should not be sidelined in the din about the China visit. That Modi is making a point to visit Mongolia and South Korea after China is in itself significant as it is a signal that much as China is increasing its presence in South Asia and the Indian Ocean, India too can expand its profile in China’s periphery.

After having long ignored each other, India and South Korea have only recently begun to recognise the importance of tighter ties. The resulting courtship was highlighted by then South Korean president Lee Myung-Bak’s state visit to New Delhi in January 2010, when he was the chief guest at the Republic Day celebrations. During his stay, New Delhi and Seoul decided to elevate their bilateral relationship to a “strategic partnership”.

Despite pursuing a “Look East” policy since early 1990s, New Delhi failed to generate momentum in ties with South Korea. South Korean businesses did not begin to view India as an important destination for investments until after the 1997 financial crisis. South Korea still remained focused on China as an economic partner and has only recently made India a major economic and political priority. With a renewed push from both sides, things have improved dramatically on the economic front over the past few years.

The visit of former Indian president A P J Abdul Kalam to South Korea in 2006 led to the signing of a Comprehensive Economic Partnership Agreement that came into force in January 2010. Even as India-Japan trade crossed the $11 billion mark in
2011, the two sides have set a target of $40 billion in 2015 which is unlikely to be met. South Korean firms are increasing their brand presence in India, and the Indian Chamber of Commerce has also been established in Korea. Major Korean conglomerates including Samsung, Hyundai Motors and LG have made significant investments in India, estimated at over $3 billion, while Indian investments in South Korea too have exceeded the $2 billion mark.

Linkages with the Indian economy can help Korea grow at far higher rates than it is currently experiencing. Among other opportunities, Korean firms are looking to participate in India’s plans to develop its infrastructure sector. In the IT sector, too, South Korea’s competitive advantage in hardware complements India’s software profile. India’s dynamic fast-growing economy makes for a natural economic partner for South Korea, often referred to as the most innovative country in the world, with the focus of cooperation likely to be in high-priority areas like IT, civilian space, knowledge-based industries, high technology, energy, automobiles and defence. Prime minister Modi is likely to seek financial assistance for his pet projects of smart cities, Digital India and Swachh Bharat Abhiyan from South Korea.

While economic ties between India and South Korea have been diversifying across various sectors, defence cooperation between the two states has also gathered momentum, reflecting the rapid changes in the Asia-Pacific region’s balance of power caused by China’s rise. In 2005, India and South Korea inked a Memorandum of Understanding (MoU) on Cooperation in Defence, Industry and Logistics, which was followed in 2006 by another MoU on cooperation between the two countries’ coast guards. South Korea is one of the world’s leaders in naval shipbuilding technology, and India would like to tap into South Korean naval capabilities to augment its own. As a result, naval cooperation is rapidly emerging as a central feature of bilateral defence cooperation, with the two navies cooperating in anti-piracy operations in the Indian Ocean region and the Gulf of Aden. Both states also share a strong interest in protecting the sea lines of communication in the Indian Ocean region.
Other sectors of convergence include nuclear energy and space. As a member of the Nuclear Suppliers Group, South Korea supported the waiver granted to India at the 45-nation grouping’s September 2008 meeting. In 2011, India signed a civil nuclear cooperation deal with South Korea, allowing a framework for Korean companies to participate in atomic power plant projects in the country. Space cooperation between the two states is also growing. India launched South Korea’s KITSAT-3 satellite in 1999 and invited Seoul to join the Indian expedition to the moon Chandrayaan-2.

The China factor in India-South Korea ties cannot be underestimated. India’s tensions with China have increased in the past few years, with Beijing aggressively asserting its territorial claims on their shared frontier. At the same time, South Korea, too, is re-evaluating its ties with China. In recent years, China could count on South Korea as a friend in the region—a cultural admirer, with residual memories of the close political and cultural ties that existed in Ming times. For its part, Seoul counted on Beijing to help stabilise the situation on the Korean peninsula. South Korea has become China’s largest trading partner in the region and has been eagerly hospitable to Chinese visits.

Today, however, Seoul has grown disillusioned with Beijing shielding North Korea from the global outrage over the Cheonan incident in 2009. An international investigation convened by South Korea concluded that the sinking of the warship, which killed 46 South Korean sailors in March, was likely the result of a torpedo fired by a North Korean submarine. Instead of berating Pyongyang, China watered down a UN Security Council presidential statement that, while condemning the incident, failed to hold North Korea responsible. As a result, no punishment has been meted out to North Korea for its brinkmanship.

As they carefully assess the evolving strategic environment in the Asia-Pacific region, New Delhi and Seoul need to advance their political ties so that a mutually beneficial and long-term partnership can evolve between the two sides. The
resulting relationship could be as important for greater regional stability as it is for Indian and South Korean national interests.

Source: Indian Express, 15 May 2015
Ship Operator Confirms Maersk Tigris Ship Released by Iran, Crew Safe

- Reuters

Iran has released a Marshall-Islands flagged container ship and its crew, which were seized last month in one of the world’s major oil shipping lanes, the vessel’s operator said on Thursday. It confirmed reports from Iran.

The vessel was diverted on April 28 by Iranian patrol boats in the Strait of Hormuz. Iran had said the vessel would be let go once a years-old debt case with the ship’s charterer Maersk Line was settled.

“Rickmers Group is pleased to report today its managed container vessel Maersk Tigris with 24 crew members on board has been officially released by Iranian authorities following an order from the court in Bandar Abbas, Iran,” the operator and manager said in a statement.

“Earlier Maersk Line put up a security in relation to the underlying court case. All crew are in a good condition. The news has been conveyed to the families of the seafarers.”

Source: Al Arabiya News, 7 May 2015

INS Tarangini to Take Part in Tall Ship Races in Europe

- PTI

INS Tarangini, the Sail Training Ship of Indian Navy, has commenced an eight-month voyage to participate in the annual Tall Ship Races and other events in Europe.
‘Tall ship’ is a term often used generically to describe large, classic sailing vessels. The first tall ship event was organized in 1956 where the foundation of Sail Training International was mooted. The crew of the ship will undertake this voyage through the Red Sea, the Mediterranean Sea and the North Sea. The ship has an illustrious history when it comes to long voyages and was the first Indian Naval Ship to circumnavigate the globe in 2003-04.

Since then, the vessel has sailed to 'The Great Lakes' in Canada for races and has also participated in the European Tall Ship Races. Tarangini won The Royal Thames Yacht Club Challenge Trophy in 2005 in Europe and stood third in Youth Sailing Division in 2007 in the USA, a statement by the Navy said.

Apart from these races, the ship sails extensively across the Indian Ocean region for the purpose of providing sail training experience to the Officer Cadets of the Navy. This year’s Tall Ship Races will be conducted primarily off the coast of the United Kingdom, Norway, Denmark, Germany and the Netherlands.

Source: Economic Times, 8 May 2015

**Precious Shipping Snubs Bulker Delivery from Sainty Marine**

- World Maritime News Staff

Struggling shipbuilder Jiangsu Sainty Marine Corp said that Precious Shipping has declined to take delivery of a 64,000 DWT bulker duo from the yard.

Namely, Thailand’s dry bulk shipping company said that the bulkers did not meet the fuel consumption standards set by the company. Shenzhen-listed Sainty Marine disclosed in a stock exchange filing that Precious Shipping declined to accept the ships even after the shipbuilder proposed to rectify the problems. The bulker duo was ordered in 2014 and the ships were slated for delivery on 17th and 24th of April, 2015 respectively.
The announcement could lead the two parties into an arbitration procedure. With regard to its acquisition of the Nantong Mingde Heavy Industry, Sainty Marine further added that the shipbuilder is experiencing difficulties with respect to the delivery of 32 new building units due to the latter’s ongoing restructuring process.

Reporting on the status of the construction of the new builds, the company said that two deliveries were overdue, eight units were delivered whereas two had to be cancelled. The shipbuilder has been struggling with financial hurdles over the recent period which saw freezing of its assets by banks in addition to defaulting on its bank loans.


**Iranian Navy to Escort Cargo Ship to Yemen**

- World Maritime News Staff

Iranian navy plans to escort a cargo ship bound for the Yemeni port of Hodaida, which is controlled by Houthi fighters, Iranian news agency IRNA reported on Tuesday quoting a naval commander. The Iran Shahed cargo ship, owned by Tehran-based Valfajr Shipping, is said to be carrying humanitarian aid to the country’s population in dire need of food and supplies.

Navigation in Yemen’s territorial waters was banned by the country’s Ministry of Foreign Affairs on 12th April. Under the ban, ships are not allowed into Yemen unless inspected and approved by the Saudi-led coalition forces.

Only emergency food and medical aid vessels are allowed entry and even then only after being searched.

The intention behind the decision is to stop shipments that could assist the Houthi led forces in their conflict with the government forces. As a result, the Iran-flagged Iran Shahed that headed for the port on Monday, faces interception and inspection
by Saudi-led coalition forces as well. “The 34th fleet, which is currently in the Gulf of
Aden, has special responsibility to protect the Iranian humanitarian aid ship,” IRNA
quoted Admiral Hossein Azad as saying.

The fleet in question is comprised of a destroyer and support vessel patrolling
international waters off Yemen. The two conflicting sides in Yemen agreed on a five-
day ceasefire to allow food and medicine into the country. Yemen imports 90% of its
foodstuffs, making it particularly vulnerable to naval siege tactics.


Advanced Marine Solutions Assumes Greek Distributorship Role for
AQUAMETRO

AQUAMETRO AG Switzerland, has appointed AMS as an Official Distributor in
Greece. AMS Advanced Marine Solutions, the newly appointed distributor, is now
representing the interests in Greece of the specialists in Flow Measuring, Fuel
Monitoring, Diesel Switch, Homogenizers and Remote Monitoring Systems
applicable to the Marine Environment, as well as many other marine related
products and projects, system repairs/calibration, upgrades and installations.

“AMS has a strong reputation and we are very much looking forward to working with
them,” explains Fritz Hauf, Board Member of the AQUAMETRO AG., which has its
head office and major facilities in Switzerland. “We share a common belief in the
importance of delivering enhanced value to our customers, which is an extremely
good start point for what we believe, will be a long term relationship.

We are delighted that we were able to formalize the agreement with our new Greek
Distributor during one of our recent meetings.” AMS, located in the outskirts of the
Glyfada – Athens area and founded by the Zachariakis family, provides technical
services to the shipping industry and represents international marine related
companies in Greece, which include Engine & Torque Monitoring Systems, Ship
repairs, Lube and Fuel on-board testing, Ballast Water Treatment Systems as well as selective representations of marine equipment and services.

“The Advanced Marine Solutions team, consisting of qualified Naval Architects, Marine Engineers and consultants with extensive experience in the marine field, provides our clients with complete solutions and effective services with due respect of the environment,” explains Dimitris Zachariakis, Managing Director of AMS. “We are looking forward to working with AQUAMETRO AG. group who are undoubted experts in their field and especially in Flow Measuring, Fuel Monitoring, Diesel Switch, Homogenizers and Remote Monitoring Systems applicable to the Marine Environment. We both believe strongly in the importance of contributing to the seaworthiness of each vessel owned and operated by our clients.”


**Dry Bulk and Container Shipping to Remain Weak, Outlook for Ports and Tankers Positive**

Global economy is in a gradual recovery mode, sending mixed signals to investors. Chinese economic data continues to remain weak as economy transitions from an investment-led economy to consumption-led. We expect PBOC to continue with monetary easing with weak data prints raising concerns over growth. US GDP grew at an anemic pace of 0.2% in the first Quarter of 2015, but jobs data for April was strong. Meanwhile, the manufacturing activity in Euro zone is reviving and deflationary pressures are easing, helping continued economic recovery.

*Oil and bunkers*

Oil prices staged a tremendous rally in past month with Brent up almost 50% since their multi year lows. Falling rig numbers in US shale and geopolitical tensions in Yemen helped the market sentiment. However, the increase in OPEC output and
refineries’ maintenance in the second quarter will keep oil prices in check, in our view. Lower oil prices will help lower the cash break-even for ship operators.

*Container Shipping*

Just when it looked like the container shipping industry is on its road to recovery, a sudden spurt in vessel ordering seems to derail the progress. In March, multiple orders were placed for vessels of 20k teu and above (ULCVs) by several carriers including MOL, CMA CGM and OOCL. Such order frenzy not only creates significant capacity over-supply but also financing issues. We believe, as the industry is still reeling under high debt, which exceeded USD 80bn as of end 2014, only the strongest players with healthy balance sheets will be able to successfully finance ULCV orders with their own money.

*Gas shipping*

LNG freight rates fell to the lowest since 2010 because of subdued demand and higher vessel supply. Within LPG shipping, VLGC freight rates started picking up on the back of congestion at Indian ports and start of a seasonally strong 2Q15. Freight rates of small-sized vessels also registered marginal improvement. Gas shipping stocks delivered an average return of 6% in April.

*Dry bulk shipping*

The dry bulk sector continued to face headwinds due to lack of cargo availability and vessel oversupply. We expect 2015 to remain challenging, even though we are hopeful of a mild recovery in 2016 because of high vessel demolition and lack of new ordering that will favorably tilt the market equilibrium. This is mirrored by stock performance of dry bulk shipping operators vis-à-vis their counterparts in the maritime space such liners, tankers and port operators.
**Tankers shipping**

Tanker charter rates have moved northwards on the back of increased non-OECD consumption, higher refinery runs and margins, lower crude oil prices, greater floating storage and tight supply. At high charter rates and lower operating costs, tanker shipping companies are expected to post higher operating revenues and improved net earnings. We expect the sector will continue to outperform the wider shipping sector on firmer rates and underlying earnings momentum.

**Port Operators**

Hong Kong-listed port operators underwent rerating in April because of policy implementation. As earnings are expected to take centre stage in May, we remain optimistic that the port sector as a whole will reflect the uptick in global trade and continue to outperform MSCI World Index.

Source: [Hellenic Shipping News](http://www.hellenicshippingnews.com), 15 May 2015
Belize Offshore Oil Plan Will Ruin a Pristine Marine Environment

- Karen Graham

The government of Belize, a country on the Eastern coast of Central America, is considering a draft proposal that would allow offshore drilling in 99 percent of its territorial waters, a move that would threaten the world's second largest coral reef.

Opening up almost the entire length of Belize's 180-mile-long coastline to oil exploration and exploitation has environmentalists very worried. They consider the proposal a threat to Belize's vital coral reefs, fisheries and tourist trade.

While Belize currently has a moratorium on offshore drilling, the recent public announcement by the Ministry of Energy was devastating news. The proposal would allow drilling in the vicinity of the Great Blue Hole, a world-famous diving destination and a part of the larger Belize Barrier Reef Reserve System, and a UNESCO World Heritage Site.

The Belize Barrier Reef stretches 190 miles, from Cancun in the north through the Riviera Maya up to Honduras, making it the second largest barrier reef in the world after Australia's Great barrier Reef. The reef has one of the world's most diverse ecosystems, yet only 10 percent of the reef has been explored.

The Great Blue Hole is a submarine sinkhole, about 43 miles off the coast of Belize. It lies in the center of Lighthouse Reef, a small atoll. It is 984 feet across and 407 feet deep. Jacques Cousteau made the sight famous in 1971 when he sailed the calypso to the hole to chart its depths.

Janelle Chanona, Oceana's vice president for the Central American nation, spoke with the Associated Press by telephone from the capital, Belmopan, as cited by The Guardian. “They've declared open season on almost 99% of Belize’s marine area. That includes seven world heritage sites, that includes marine protected areas ...
and it is unacceptable.” Government officials did not respond to requests for comment when the proposal was released on Thursday, but they had said previously they were considering some modifications after hearing feedback from Oceana and other similar groups.

*Environmental damage from drilling offshore listed*

Environmentalists point out even a minor oil spill could jeopardize the snow-white sands and crystal clear blue waters of the reef that makes tourism the leading source of foreign income, making up 25 percent of Belize’s GDP. According to figures released by the Belize government, tourism accounts for half the country’s economy, and damage to tourism would put that economy and jobs at risk.

The risks to the barrier reef ecosystem are great, not just because of its popularity for snorkelers and divers, but because of the possible damage to the ecosystem and its many marine species. Chanona added that the protection from hurricanes and rising sea levels afforded by the country’s barrier reef is very valuable and estimates the annual value if the reef protection to be in the neighborhood of $750 million.

It doesn't make any sense to open the waters off Belize to oil exploration. In the past, exploratory wells proved to give negative results. While Belize has a similar geology to the oil-producing regions of Mexico and Guatemala, their neighbors, it hasn't been overly exploited simply because the population doesn't want their forests and land destroyed.

A number of American oil companies came to Belize in the 1980s and drilled exploratory wells, but after drilling 50 dry wells, nothing much happened. Now, Belize depends almost entirely on oil imports for its energy needs. The country has a lot of potential for hydroelectric and other renewable energy resources, if only these were to be investigated.

Source: [Digital Journal](http://digitaljournal.com), 10 May 2015
**Marine Environment Protection Committee opens**

IMO Secretary-General Sekimizu has opened the 68th session of IMO’s Marine Environment Protection Committee (MEPC), which is set to adopt the environmental provisions of the Polar Code.

The Committee is chaired by Mr Arsenio Dominguez (Panama) and will run from 11 to 15 May. Other agenda items include: implementation of the ballast water management convention and energy-efficiency requirements and revisions to air pollution guidance and requirements.

Source: [Hellenic Shipping News](http://www.hellenicshippingnews.com), 12 May 2015

**Boat Show in Miami Committed to Protecting Environment**

- Thomas Dammrich

The Miami International Boat Show closed another successful show in February that attracted almost 100,000 visitors from all over the world and delivered an economic impact of $600 million to Miami-Dade County. Next year's event will be our 75th annual show, and we are delighted to celebrate this tradition at our new home, Miami Marine Stadium Park and Basin.

Miami Marine Stadium Park is one of South Florida’s most historic and beloved boating destinations. We are working with the city of Miami on enhancements that will allow different generations from throughout the community who haven’t been able to enjoy the park for more than 20 years to come back and experience it again. We will build on the legacy of Miami Marine Stadium and are excited that construction is already under way for customized docks and an open area park that will accommodate land exhibitors.
The National Marine Manufacturers Association has worked with the Army Corps of Engineers and other agencies like it for years to ensure that we comply with any requirements or concerns surrounding our events. Our efforts at Miami Marine Stadium Park and Basin are no different.

As an organization centered on advocating for the marine industry, we’re acutely aware of the importance of protecting waterways. We represent and work with marine manufacturers and their boating customers who depend on the health of the marine environment for their livelihood and leisure. We actively take measures to help ensure clean marine engines and emissions. We also support the Sport fish Restoration Trust Fund, for which an estimated $300 million is collected annually from taxes boaters pay and that goes toward marine conservation, boater access and safety.

The boat show is a significant part of the Florida economy, supporting 55,000 middle-class jobs and generating approximately $32 million in tax revenue for the state from sales conducted at the show.

We are committed to working with the Army Corps of Engineers and the Miami-Dade community to ensure the Miami International Boat Show can continue to deliver the economic benefits and recreational enjoyment South Florida has become accustomed to throughout our 74-year history while respecting the environment that surrounds our new home at Virginia Key.

We look forward to joining the South Florida community this coming February in welcoming back Miami Marine Stadium Park and Basin and celebrating a new beginning.

Source: Miami Herald, 13 May 2015
UN Shipping Body Shelves Emissions Target

- Megan Darby

That was the upshot of a debate at the International Maritime Organization (IMO) in London on Wednesday. Delegates agreed only to address “at an appropriate future date” a proposal from the Marshall Islands to curb greenhouse gases in the sector. “The question still remains: Is the IMO committed to reduce emissions?” said Bill Hemmings of the Cleaner Seas Coalition.

“The answer has not been given a clear yes. I think that is a very unfortunate reflection on this house.” Shipping has a carbon footprint equivalent to Germany or Japan. Under business as usual, the IMO’s own research shows shipping emissions are set to rise 50-250% by 2050, as a growing population boosts demand.

With countries targeting emissions cuts, shipping’s share of the emissions space will grow even faster – up to 14%.

Existential dilemma

Marshall Islands foreign minister Tony de Brum made a personal appeal to delegates to play their part in global climate efforts.

An archipelago of low-lying coral atolls, the Marshall Islands is particularly vulnerable to sea level rise and tropical storm surges linked to climate change. It is also the world’s third largest shipping registry and depends on the ocean for much of its economy.

“The very water that sustains us is lapping at our heels and threatening our survival,” said de Brum. He called for “all hands on deck to face the greatest challenge we have ever faced”. Other Pacific island states gave the proposal their full support.
Foot dragging

But while there were many expressions of sympathy, most countries including the US, China and Panama declined to back a target. Nor did EU member states come through, despite the European Commission declaring its support.

Instead they urged a focus on existing efforts to regulate energy efficiency. Koji Sekimizu, IMO secretary general, was also ambivalent. He spoke of “solidarity” with the Marshall Islands but stopped short of backing its proposal.

“The shipping industry is a servant to the world community and trade,” he said. “We will ensure that efficiency will be improved and we will ensure that the reduction will be achieved for ship-based emissions.”

The IMO has imposed an energy efficiency design standard on new ships. For existing ships, it has agreed to monitor fuel consumption with a view to potential policy interventions in future. Yet on Tuesday, negotiators were still at odds over how to collect and use data from ships.

Source: [Rtcc.org](http://Rtcc.org), 13 May 2015