

OPRF MARINT Monthly Report

January 2007



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This monthly report is edited/ summarized by publisher and staff writers based on published news resources.

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Retrospect: the Second Half of 2006

1. Security

The major event in security is that London insurer Lloyd's said on August 7 that it has decided to remove the Malacca Straits from its list of 20 risky areas for shipping prone to war, strikes, terrorism and related perils, a year after declaring the Straits a dangerous area in July 2005. Lloyd's says there had been a "significant improvement" in security of the Straits; however, it says ships visiting north-east ports on the Indonesian island of Sumatra will have to continue to pay additional war-risk insurance premiums (although transit will be excluded).

The International Chamber of Commerce's International Maritime Bureau (IMB) has launched a service to offer an online piracy map provided by Google. The map is available in three forms: a satellite view, a plain view (indicating countries and borders), or a combination of both. Balloons on the map show both actual and attempted attacks. Clicking on these balloons initiates a pop-up with a summary of the attacks. New attacks or attempts will be added to the map within 24 hours once these attacks are verified.

International Maritime Organization (IMO) convened a "Meeting on the Straits of Malacca and Singapore: Enhancing Safety, Security and Environment Protection" in Kuala Lumpur, Malaysia, from September 18 to 20. The meeting, bringing together delegations from the three littoral states (Indonesia, Malaysia and Singapore) and 28 countries, as well as observers from several international organizations, was a follow-up conference of previous year's IMO meeting on the Strait held in Jakarta. After the

meeting, the Kuala Lumpur Statement was adopted. Of particular note is the agreement by the three littoral states, state users, the shipping industry and other stakeholders to cooperate towards the establishment of the mechanism for voluntary funding.

Another significant event was that The Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (hereafter ReCAAP) entered into force on September 4. The ReCAAP is the first intergovernmental agreement on anti-piracy in Asia. The ReCAAP Information Sharing Centre (ISC) was officially launched on November 29 in Singapore. Yoshiaki Ito, Japanese Permanent Mission to the United Nations, was unanimously selected as first executive director of the ReCAAP ISC. The IFN System is a 24-hour, secured web-based information system supporting the ISC in collecting, organizing, analyzing and sharing of piracy and armed robbery information among ReCAAP member states. The IFN links up the ISC located in Singapore with the Focal Points of ReCAAP member states, helping disseminate and exchange information among them. Among the three littoral states, Malaysia and Indonesia have yet to ratify the agreement.

On November 21, the Philippines and Indonesia agreed to beef up border patrols at the vast sea lanes between Mindanao and Indonesia which is infested with frequent piracy incidents in Asia. The declaration of the agreement was made public at the 25th Philippine-Indonesia Border Committee Chairman's Conference held in Manado, northern part of the Sulawesi islands, Indonesia. Both countries agreed to conduct at least four coordinated patrol activities annually.

The U.S. Homeland Security Department said on December 7 it would scan all containers bound for the United States at six overseas ports to

prevent terrorist nuclear bombs and radiological material from entering American waters. They said it would scan all containers bound for the United in the ports of Qasim, Pakistan, Puerto Cortes, Honduras; and Southampton, England. Scanning will also be done at Port Salalah in Oman, the Port of Singapore, and the Gamman Terminal at Port Busan in Korea, though not every container will be screened, officials said. Officials said the examinations would begin early next year at all six ports. When fully operational, the program will screen about eight percent of the 11 million cargo containers that reach U.S. shores each year.

2. Military

Major noteworthy event in the second half of 2006 is a trend of growth of the Indian Navy. In an interview with the Indian armed forces monthly magazine on August 8, Indian Navy chief Admiral Arun Prakash said: "Indian Navy would become a fully-balanced, technologically fighting fit maritime force within the next decade. No country can prevent India from becoming a maritime power." The Directorate of Naval Design (DND), Commodore KN Vaidyanathan told a media on November 14 about its naval plan as follows: (1) Indian navy has begun the construction of its first indigenous 37,500-tonne aircraft carrier that will be commissioned by 2012. (2) Three stealth frigates and 27 other warships are also constructed at different shipyards across the country. The Indian Navy plans to establish a new base on the country's east coast, 50 kilometers south of Visakhapatnam, where the navy's eastern command is headquartered. The new base will be India's second naval base to be built on the east coast. It will help protect the country's trade with

Southeast Asia and monitor the Chinese naval movements in the Bay of Bengal.

In the background of Indian Navy's ship-construction plan, there is New Delhi's alertness against China. On December 4, Navy Day, India's Navy Chief Admiral Sureesh Mehta has warned that Sino-Indian rivalry is spilling over to the seas. He said India must take steps to counter the Chinese threat from the sea.

On the other hand, Chinese naval activities were notable. The Chinese fleet, consisting of the missile destroyer "Qingdao" and the depot ship, (led by Rear Admiral Wang Fushan, deputy commander of the North China Sea Fleet of the PLA navy), set sail from the Qingdao Harbor on August 21 and embarked on a voyage to four ports in the U.S., Canada and the Philippines. During this period, visiting Hawaii, San Diego, and Canada, they conducted joint-exercise with both US and Canadian Navies.

Another significant event was surfacing of a Chinese Song-class attack-submarine within five nautical miles of the carrier group, USS Kitty Hawk, in the deep waters of Okinawa on October 26. The U.S. Navy official said an aircraft carrier battle group couldn't detect the Chinese submarine that surfaced near the Kitty Hawk. The Chinese submarine was spotted by carrier-based aircraft that was conducting routine surveillance. The Kitty Hawk was not engaged in anti-submarine warfare exercises at that time and therefore did not conduct active patrols. The submarine is equipped with wake-homing torpedoes and anti-ship cruise missiles. The incident where a Chinese submarine surfaced close to a U.S. carrier group highlighted the conflicting posture between the U.S. and China in East Asia.

At a meeting of delegates to a Communist Party meeting of the navy on December 27,

Chinese president and commander-in-chief Hu Jintao urged the building of a powerful navy that is prepared “at any time” for military struggle, state media reported. Calling that China was a major maritime country, Hu emphasized, “We should strive to build a powerful navy that adapts to the needs of our military's historical mission in this new century and at this new stage.”

On December 29, the Information Office of the State Council of the People's Republic China issued a White Paper (WP) under the title of “China's National Defense in 2006.” The last paper was published in 2004. The WP emphasized that China pursues a national defense policy which is purely defensive in nature, and that China's national defense provides the guarantee for maintaining China's security and unity, and realizing the goal of building a moderately prosperous society in an all-round way. The WP is defending itself lest Beijing should be called a threat-monger by saying in its preface that China's national defense and military modernization, conducted on the basis of steady economic development, is the requirement of keeping up with new trends in the global revolution and development in military affairs, and of maintaining China's national security and development. China will not engage in any arms race or pose a military threat to any other country.

3. Diplomacy and International Relations

The Prime Minister of Japan, Shinzo Abe visited China and South Korea on October 8-9. A joint statement was released after the meeting. It says both sides shared the view that they would promote exchange and cooperation in fields such as politics, economy, security, society, and culture

at various levels.

At the summit meeting between Abe and South Korean President Roh Moo Hyun, both leaders agreed to strive to build a future-oriented partnership, sharing the view that Japan-Korea relationship is important not only to the two countries, but also to the East Asian region and the international community.

On October 9, 2006, Korean Central News Agency (the North Korean media) reported: (1) The sector of scientific research of North Korea successfully conducted an underground nuclear test under a safe environment the day. (2) The test was carried out with indigenous wisdom and technology 100 percent. In response to the October 9 announcement by North Korea that it had conducted an underground nuclear test, the U.N. Security Council unanimously adopted Resolution 1718 stipulating that it acts under Chapter VII of the Charter of the United Nations, and takes non-military measures under its Article 41.

The Beijing Summit of Forum on China-Africa Cooperation (FOCAC) was convened on November 4-5 in Beijing. Out of 53 African countries, 48 countries forging official ties with China took part in the forum. The summit adopted a declaration to establish “a new type of strategic partnership,” featuring political equality and mutual trust, economic win-win cooperation and cultural exchange between China and African countries. On the 4th, Chinese President Hu Jintao announced a package of aid and assistance measures to Africa including US\$3 billion of preferential loans over the next three years as well as the exemption of debt owed by poor African countries.

Stopping by Singapore on 16 November on his Asian tour to attend the Asia-Pacific Economic Cooperation (APEC) Leaders' Meeting on the

16th in Hanoi, Vietnam, his tour The U. S. President George W. Bush gave a speech on a wide range of issues facing Asia. President Bush said, "We will do our part to help APEC become a stronger organization that serves as an engine for economic growth and opportunity throughout the region." Bush said distinctly that he wanted to strengthen APEC rules as a place of exchange of opinions and decision-making. Behind this background, he is concerned that frameworks without the U.S., like the East Asia summit meeting, have been formed in the region as a result of a rise of China while the U.S. was stuck in the Iraq issue.

Chinese President Hu Jintao paid an official visit to India after the APRC summit meeting, as the head of state, for the first time in ten years. President Hu had talks with India's Prime Minister Singh at New Delhi on the 21st of November, when China and India signed a wide range of joint declaration, which included cooperation between them with regard to India's nuclear peaceful-use development project. Strengthening of Chinese and Indian relations is regarded as Chinese diplomatic strategy intended to heighten its leadership in Asia. Because this is likely to influence the U.S. world strategy, Chinese movement will have to be monitored.

Foreign ministers of the European Union issued a declaration on December 11 raising relations with Beijing to a 'strategic partnership' that recognizes China's growing role in global economic, security and other areas. Regarding the lifting of a ban of arms sales imposed after China's 1989 crackdown on pro-democracy protests in Beijing's Tiananmen Square, Monday's statement touched on the arms embargo only in a brief sentence in which the EU expressed 'its willingness to carry forward work towards lifting the arms embargo'.

Indian Prime Minister Manmohan Singh paid an official visit to Japan from 13 to 16 December. Two leaders signed a joint statement of implementing strategic and global partnership based on a common commitment to democracy, open society, human rights, rule of law, and free economy.

On December 18, U.S. President George Bush signed a bill of the Henry Hyde United State-India Peaceful Atomic Energy Cooperation Act. President pointed out that the bill is going to help them strengthen cooperation between India and United States in the energy sector which is one of the most important challenges in the 21st century.

4. Shipping, Resources, Environment, and Miscellaneous

According to China's National Development and Reform Commission (NDRC) on August 31, China's shipbuilding industry continues to grow rapidly as they received new orders a total of 16.08 million deadweight tons in the first half of 2006, rising 113 percent from the same period last year. The NDRC said shipbuilders hold total orders of 50.92 million deadweight ton in the first half of 2006 with a rise of 43 percent, which accounts for 20 percent of the global market share.

On December 8, a huge, 300,000-ton oil tanker was launched from the shipyard in Shanghai. The vessel can store 2 million barrels of crude oil. The ship, which can load or off-load 190,000 barrels of crude oil a day, is called a floating production storage off-loading (FPSO) vessel. The vessel costs 240 million U.S. dollars. The FPSO will be put into use in the second-phase project of the Penglai 19-3 Oilfield in China's Bohai Bay, which is jointly funded and run by the China

National Offshore Oil Corporation (CNOOC) and ConocoPhillips China Inc. FPSO vessel is a type of floating tank system

Russian President Vladimir Putin said on September 15 that the country would increase its share in oil supplies to the Asia-Pacific region to at least 30 percent from the current 3 percent over the next 10 years. His comment was made at the meeting with parliamentary speakers of G8. Industry and Energy Minister Andrei Dementyev also said in early September, "The share of Asia-Pacific countries receiving Russian oil exports is forecast to increase from the current 3 percent to 30 percent in 2020, and natural gas export from 5 percent to at least 25 percent." He said the figure is achievable if energy projects in the east are implemented and energy production off Sakhalin is launched. On September 18, Russia's Natural Resources Ministry issued a directive to suspend part of the Sakhalin II energy project on the ground of its insufficient environmental protection measures. On the 20th, Yury Trutnev, Minister of Natural Resources, signed a document to cancel the permission for the Sakhalin II project, which became effective immediately.

Regarding the Shipping matters, a national referendum on a modernization plan to expand the Panama Canal was held on October 22. About 80 percent of Panamanians voted in favor of the expansion plan. With a total 5.25 billion US dollars (USD), the expansion project is to construct a third set of locks on the Pacific and Atlantic ends by 2015, allowing ships that are too large for its current 108-foot-wide locks to pass through the canal.

On the other hand, the Nicaraguan Government announced on October 3 that it plans to construct a 20 billion (USD) canal. The project, named the Grand Inter-Oceanic

Nicaragua Canal is expected to take more than 10 years. If completed, the canal will allow 250,000-ton tankers and container ships to pass through the isthmus. On the other hand, the Panama Canal allows maximum 79,000-ton boats to pass through. Even if a planned Panama Canal's widening project is implemented, it will only accommodate 120,000-tonn boats. The route of the Nicaragua canal will take ships in a series of giant locks (32 meters) up to the Latin America's second largest lake, Lake Nicaragua. From there it will utilize the Escondido river, which ultimately reaches the Caribbean at the Bluefields port. It will also have to negotiate Mt Momotombo, an active volcano.

New activities have been noted over the Gwadar port as the first pearl of "the string of pearls strategy" deployed by China. Port of Singapore Authority International (PSAI) has been selected as the operator of Gwadar port in the southwestern Pakistan. The selection was made at a board meeting of the Gwadar Port Implementation Authority (GPIA) on December 8, and unanimous consent was given for the selection of PSAI. PSAI is a global leader in the ports and terminals business. It operates 20 port projects in 11 countries. In 2005, it handled 41.18 million 20-foot-equivalent units (TEUs) of containers at all its ports around the world, including 22.28 million TEUs in Singapore.

It is also a significant event that China began transportation of oil through Mekong River on December 29. Two ships each carrying 150 tons of refined oil have arrived in southwest China's Yunnan Province from neighboring Thailand via the Mekong River. In March 2006, China signed a landmark agreement with Laos, Myanmar and Thailand on refined oil shipping on the waterway. This is an experimental trial launch of China's oil shipping program with its Southeast Asian

partners. The river has become a tourist route and major transport channel between China and in the past five years, the river has carried up to two million tons of goods, representing trade worth more than 10 billion 1.28 billion USD.

Major Events in January 2007

Security: On January 4, increasing the naval vessels including an aircraft carrier, USS Dwight D. Eisenhower, U. S. Navy stepped up patrol off Somalia, to search for al Qaeda agents fled after Islamic allies were chased into hiding, and to board fishing boats and oil tankers for inspection.

The International Maritime Bureau (IMB) issued its 2006 report that piracy attacks fell for the third year in a row, with 239 attacks on ships compared to 276 in 2005, 329 in 2004. (On details, refer to Intelligence Assessment.)

Military: As for the background of words that China's President Hu Jintao said on December 27 China should build strong naval forces, British journal, Economist reports that since China's rapid economic growth has been concentrated in the coastal areas for the past 30 years, China now had long-range maritime interests. As a result, the country is in the process of shifting from land power to maritime power, and its aspiration for the navy is growing.

Chief of the Indian Naval Staff Admiral Sureesh said on January 5 on board aircraft carrier, INS Viraat, that Indian Navy would always have two aircraft carriers in 2008 when Russian aircraft carrier, Admiral Gorshkov, to be named INS Vikramadiya, joined the fleet.

On January 11, U. S. aeronautics and space journal, Aviation Week & Space Technology (Web edition) reported that China performed a successful anti-satellite (ASAT) test. On January 23, Chinese Foreign Minister Lieu Jianchao confirmed this report that Beijing had held an anti-satellite test.

The United States has deployed two aircraft carriers to the Indian Ocean for the first time since 2003 Iraq invasion in a clear response to Iran's aggressive posture in the region. Departing on January 16 from its homeport of Bremerton, Washington, the Stennis will be deployed to Mideast waters via the Pacific and Indian Ocean. According to Commander of the U. S. Navy Fifth Fleet, they will continue to deploy two aircraft carriers as long as the situation permits.

On January 17 a handing over ceremony of USS Trenton, an amphibious loading dock, to the Indian Navy, was held at the Norfolk Naval Base in Virginia. The 17,000 ton vessel will be the first American ship to join the Indian Fleet.

Diplomacy and International Relations: The second East Asia Summit meeting was held on the Philippine island of Cebu on 15 January. From 13, a series of top leaders' meetings including the ASEAN summit and ASEAN plus three, top meeting between Japan and China and another summit meeting between Japan and the Republic of Korea (ROK) were held. Taking into considerations of the increasing demand of energy in Asian region and rising oil prices, the conference adopted the "Ceb Declaration on Energy Security" for the energy security as common concerns for every country.

U. S. President George W. Bush made his sixth annual State of the Union Message on 23 January. The main points of speech were his anti-terrorist war and domestic policy. In his

message, he particularly emphasized an importance of reducing consumption of oil in energy sector.

The Russian President Vladimir Putin paid an official visit to India from January 25 - 26, and had summit meeting with Indian Prime Minister Manmohan Singh. Announcing a joint declaration pledging development of bilateral relations between the two countries, both leaders signed documents on strengthening close ties covering the areas of peaceful use of nuclear energy, military and space. Details are provided in the commentary of this report.

Shipping, Resources, Environment and Miscellaneous: Regarding the Chinese oil transport via the Mekong River in December 2006 (refer to the monthly report, December 2006), a Thai journalist, Marwaan Macan-Markar, points out that China's use of the Mekong River as a new oil-shipping route is raising new environmental concerns that accidental spills could adversely affect the livelihoods of nearly 60 million downstream river dwellers and eventually evolve into a bone of diplomatic contention between Southeast Asian countries and China.

On January 9, a Japanese oil tanker and U.S. nuclear-powered submarine collided with in the Straits of Hormuz. According to the Japanese government and U. S. naval authorities, no one was hurt in the accident over this accident, and there was no resulting spill of oil or leakage of nuclear fuel. Damage to the fast-attack submarine, USS Newport News, and the supertanker was light, and both ships remained able to navigate.

The number of seafarers the Philippines deployed abroad for the world maritime transport breached the government's target of 250,000 a year, posting a growth rate of 4.9 percent compared to the same period in 2005. The Department of Labor and Employment (DoLE) took pride on the adherence of the country's highly skilled maritime workers to the global standards enforced by the International Maritime Organization (IMO) to Manila belongs as a member.

On January 29, China started filling the strategic oil reserve base. Filling was initiated at the facility located in Ningbo in Zhejiang Province. China approved the construction of four national strategic oil reserve bases in 2004.

1. Information Digest

1.1 Security

January 2007 "A draft of the U.S. maritime domain awareness technology roadmap" (National Defense, January 2007)

The U. S. monthly magazine, National Defense, January 2007, reported that it obtained a draft of the maritime domain awareness (MDA) technology roadmap which had been studied by a working group including the representatives of 45 government departments and agencies, based upon the national security presidential directive in December 2004. Below is the point of the report.

(1) The unclassified, draft version of the roadmap is one piece in the development of the "national plan to improve the MDA." The goal is "sufficient understanding of all maritime traffic approaching U.S. shores or areas."

(2) According to the draft, a layered sensor network of over the horizon radars, space-based radars and acoustic sensors that stretches out to the deep waters of the oceans will be required to track and identify every vessel approaching US shores. Moreover, data from sensors, human intelligence, and open source records must be gathered, exploited, processed, collated and interpreted, the report said. In particular, a robust, effective international HUMINT network is critical for successful MDA efforts.

(3) Many in the MDA community believe if terrorists attempt to smuggle a weapon of mass destruction into the United States, it will not be inside a shipping container, but in a small boat.

January 3 "US dispatched warships off Somalia" (London Daily Telegraph, January 5, 2007 and other sources)

On January 4, U.S. Navy warships stepped up patrols off Somalia, boarding fishing boats and oil tankers to search for al Qaeda agents who fled after their Islamist allies were chased into hiding. Offshore, a guided-missile destroyer, the USS Ramage and the USS Bunker Hill, both from the U.S. 5th Fleet, were deployed, and these two vessels are assigned to the Combined Task Force 150 led by British Commodore. According to Commodore Bruce Williams of Britain's Royal Navy, "Coalition forces will continue routine operations in this unstable area as long as the need exists for our presence."

A spokesman for 5th Fleet told that the aircraft carrier USS Dwight D. Eisenhower was sent into the waters off Somalia in an effort to search for al Qaeda terrorists. According to a US Navy official, U.S. is reinforcing the fleet in this area, and, in addition to two ships above mentioned, USS Anzio, a guided-missile destroyer and USS Ashland, a landing assault ship are also being dispatched off the coast of Somalia. (American Forces Press Service, January 9, 2007)

The US Navy says the U.S. aircraft carrier and its 60 warplanes are routinely patrolling over Somalia and coastal areas to interdict the fleeing of terror suspects. Diversion of the aircraft

carrier Eisenhower from Afghan operations was made possible because fighting activities in Afghanistan have been downgraded due to winter season in Afghanistan. Taliban attacks have dropped by half between August and December - from 913 to 449 - and U.S. and coalition warplanes have made drastic cutbacks in bombing. (AP, January 11, 2007)

January 8 "Iranian militia officer says on possible blockade of Hormuz"(Arab News, January 9, 2007)

On January 9, a top officer in the volunteer militia of Iran, deputy commander of Basij said Iran could block oil traffic through the strategic Strait of Hormuz if the West threatens its economy over Tehran's nuclear program. "Given Iran's authority over the Strait of Hormuz, the passageway to more than 40 percent of the world's energy, we have become so strong that the world's economic and energy security are in the hands of Iran.", Gen. Majid Mir Ahmadi was quoted as saying by the semi-official Fars news agency. Mir Ahmadi added , "We can exert pressure on the US and British economies as much as we ourselves are put under pressure. US allies, especially those who host US military sites or facilitate American strategies against us, are exposed to our threat."

January 14 "Indian Home Secy in Maldives To Discuss Coastal Security" (Hindustan Times, January 14, 2007)

With Indian intelligence agencies cautioning of terror group Lashkar-e-Taiba's plans to use uninhabited islands in the Indian Ocean as bases for strikes against vital installations along the Indian coastline, Home Secretary VK Duggal will discuss from January 15 "bilateral relations in security matters, specially the coastal security of India", with the Maldives government, an official statement of Home Ministry said on January 14. Lashkar-e-Taiba is one of the largest and most active Islamic terrorist organizations in South Asia terror group. The home secretary will also discuss problems on terrorism, organized-crimes and narcotics smuggling India signed a defense and security cooperation agreement with the Maldives in 1988, with New Delhi training the island nation's defense and police personnel, besides supplying equipment. The Indian Navy and Coast Guards ships regularly visit the Maldives.

January 16 "IMO establishes Maritime Rescue Center in South Africa" (Business Daily, January 17, 2007)

On January 16, the UN's International Maritime Organization's (IMO's) secretary-general, Efthimios Mitropoulos, signed an agreement with South African Transport Minister, Jeff Radebe on establishing the sub-regional Maritime Rescue Co-ordination Center (MRCC), the United Nations (UN) sea search and rescue agency. The establishment of an MRCC office in South Africa indicates that the country will play a key role in maritime search and rescue missions in Africa for the UN. Madagascar, Mozambique, Namibia and the Comoros, also signed the deal. According to Radebe, the problems are lack challenges are lack of trained staff an acute shortage of skilled personnel in Africa.

January 22 "IMB issues Annual Report on Sea Piracy in 2006" (AFP, January 23, 2007)

On January 22, the International Maritime Bureau (IMB) issued an Annual Report on piracy in 2006, which said that piracy attacks fell for the third year in a row in 2006, with 239 attacks on ships compared to 276 in 2005 and 329 in 2004. (As for details, refer to Details in Intelligence Assessment)

January 22-23 "ARF conducted first Maritime Security Force Exercises"(MINDF, Singapore, January 23, 2007)

According to a statement from Singaporean Defense Ministry on January 23, Singapore hosted the first ever ASEAN Regional Forum (ARF) Maritime Security Shore Exercise from January 22-23. The multilateral shore exercise was designed to promote interoperability and familiarity amongst the various agencies involved in enhancing maritime security. A total of 102 officials from 21 ARF member countries participated in the Maritime Security Shore Exercise.

January 25 " Japanese coast guard to participate in anti-piracy exercises with Malaysia, Thailand " (AP, January 25, 2007)

According to Japanese Embassy source in Malaysia on January 25, the Japan Coast Guard vessel Yashima will arrive in northern Malaysia on January 30 for a series of exercises off the resort islands of Phuket in Thailand and Langkawi in northern Malaysia. The Yashima will be joined by five vessels from Thailand and three from Malaysia.

1.2 Military

January 3 "President Hu Jintao aims for Naval Force's expansion " (The Economist, January 4, 2007)

Regarding a statement of President HU Jintao on December 27, calling to build up the strong navy, British journal, "Economist" points out as follows: (1) So why is Mr. Hu, who has been commander-in-chief since 2004, so keen on a bigger navy? Prestige could well be part of it. Chinese state-run television aired (twice, in November and December) an unusual documentary series called "The Rise of Great Nations." It described, with a remarkable lack of the usual anti-Western tone, how Japan and various Western countries including America and Britain became strong. The program suggests how much the naval power was vital to the rise and fall of the country. (2) A recent report by the Chinese Academy of Social Sciences argued that since China's rapid economic growth in the past three decades had been concentrated in coastal areas, China now had long-range maritime interests. As a result, the country was in the process of changing from a continental land power into a sea power. Expect to see more of the naval power. (For Hu's remarks, refer to Military of OPRF Marint Monthly Report December 2006.)

January 5 "Indian Defense Minister emphasizes on importance of Maritime Security " (Asian News International, January 5, 2007)

On January 5, Indian Defense Minister A.K.Antony embarked on the aircraft carrier "INS Viraat" to view a demonstration by the Western Fleet of the Indian Navy of its firepower and other facilities. "Maritime security was most critical for the country now. India's trade, our oil, our Special Economic Zones (SEZs), all these need security that the navy is providing. The whole of Indian Ocean is very important to us," he said while on board the carrier. Moreover, Antony stressed on the need to further modernize the Indian Navy and reduce its dependence on foreign suppliers by modernizing the country's state-run shipyards. The navy, however, is about to acquire the USS Trenton, an amphibious transport warship scheduled to be handed over to the Indian Navy on January 17. The Trenton would be India's second largest warship after INS Viraat. Besides landing troops during operations, it can also function as a command and control platform during amphibious operations.

January 5 " India has two carriers ready for operations in 2008 "(The Hindu, January 6, 2007)

On January 5, Chief of the Naval Staff Admiral Sureesh Mehta told on board the carrier Viraat that India will always have two aircraft carriers from next year when Russian aircraft carrier Admiral Gorshkov, to be renamed INS Vikramaditya, joined the fleet. By the time it was decommissioned after seven years, an indigenously built carrier would be ready and Vikramaditya would be in service, he pointed out.

January 9 "South Korea to buy British Submarine Rescue ship" (The Korea Times, January 9, 2007)

On January 9, South Korean defense procurement officials said South Korea has recently agreed to buy a British-made rescue submarine for 21 million US dollars. This is part of the South Korean Navy's bid to create an independent submarine rescue command by 2015, the official said. The submarine, DSAR-5 is capable of locking onto the hatch of a stranded submarine and transferring up to 16 people in waters to the depth of 300 meters at the maximum. South Korea plans to speed up its preparation for the separate rescue command by purchasing eight more of the 1,800-ton submarines by 2014.

January 9 "U.S. Air Force to deploy F-22A squadron to Kadena AB " (U.S. Air Force Print News Today, January 9, 2007)

According to the 13th Air Force Public Affairs, the U.S. Air Force is scheduled to deploy a squadron of F-22A Raptors to Kadena Air Base, Japan, as part of U.S. Pacific Command's Theater Security Package in the Western Pacific in early 2007. This will be the first overseas deployment for the Air Force's newest fighter.

January 11 "China is successful in anti-satellite weapon test" (Aviation Week & Space Technology, January 11, 2007 and other sources)

U. S. air and space technology journal "Aviation Week & Space Technology(Web edition) dated January 11 reported on China's anti-satellite weapon test, and key points of its article are as follows:

(1) U. S. Intelligence agencies believe China on January 11 performed a successful anti-satellite (ASAT) weapons test at 530- mile altitude, west of Xichang located in Sihuan Province, destroying an aging Chinese weather satellite target with a kinetic kill vehicle launched on board a ballistic missile. The details emerging from space sources indicate that the Chinese Feng Yun 1C (FY-1C) polar orbit weather satellite launched in 1999 was attacked by an ASAT system launched from or near the Xichang Space Center. (2) If China conducted the test as the intelligence agencies suppose, the attack will also have left considerable space debris in an orbit used by many different satellites.

On January 23, Chinese Foreign Ministry spokesman Liu Jianchao confirmed earlier reports from Washington, and told at the news conference that the government had informed the United States of the test. Opposing any arms race in space, Lieu stressed, "This test was not directed at any country and does not constitute a threat to any country." On the other hand, a U.S. State Department spokesman said on January 22 that Chinese officials had acknowledged the test when they met U.S. Assistant Secretary of State Christopher Hill in Beijing. (CNN.com, January 23, 2007)

January 16 " U. S. reinforces aircraft carriers to Persian Gulf areas " (AP, January 19, 2007)

The United States will deploy two aircraft carriers to the Persian Gulf region for the first time since the 2003 Iraq invasion to respond Iran's aggressive posture. After departing from its homeport of Bremerton in Washington on January 16, the Stennis will stop in San Diego (depart on January 20), and will arrive in Middle East waters in a matter of weeks, after crossing the Pacific and Indian oceans. According to Commander Kevin Aandahl of the 5th Fleet of the U. S. Navy, the USS John C. Stennis will significantly boost the U. S. air power in this region and demonstrate their resolve to do what they can to bring security and stability to the region with another aircraft carrier USS Dwight D. Eisenhower which has been deployed. As the Eisenhower was sent to the Somali coast, the Stennis could also shore up air cover for U.S. and NATO ground troops in Afghanistan. Aandahl said, "Washington will keep two carriers in the Middle East as long as the situation demands it." A typical carrier deployment lasts six months. Britain dispatched two minesweepers to this region in December 2006.

January 17 "India gets Amphibious Ship from U. S. " (Times of India, January 18, 2007)

Then Indian navy Commander, who was once involved in the relief and rescue operations after the monstrous tsunami in December 2004, said he strongly felt an acute need for an amphibious

landing ship. That gaping hole in the Indian armada was filled to a large extent on January 17 when the Indian Navy took charge of USS Trenton, a massive amphibious loading dock, in an elegant handing over ceremony at the Norfolk Naval Base in Virginia. The 17,000 ton vessel will be the second largest ship in the Indian Navy after the aircraft carrier Viraat , and the first American ship to join the Indian fleet. After undergoing repairs and refurbishing in the U.S. until May, the ship will leaves for India with its six H-3 Sea King transport helicopters on board, where it is expected to join the Eastern Naval Command in Vishakapatnam. Although Trenton was commissioned in 1971, the ship is expected to serve in the Indian Navy for at least 15 more years. New Delhi purchased the ship for a 48.44 million US dollars, including choppers and boats to be assigned on board.

January 18 " U.S. Delivers 8 P-3C Orions to Pakistan "(Reuters, January 18, 2007)

The United States has handed over the first of eight P-3 Orion reconnaissance and anti-submarine aircraft to Pakistan on January 18. The second aircraft is expected to be handed over next month and the entire delivery to be completed in three or four years. Pakistan will eventually have ten P-3Cs.

January 24 " U. S. warships to visit Cambodia in February " (A P, January 24, 2007)

According to Admiral Gary Roughead, Commander of the U.S. Pacific Fleet, the USS Gary, a guided missile frigate with 200 officers and crew, will visit the Sihanoukville port in southwestern Cambodia on February 9 and will stay until February 13. Commander says it is for first time in over 30 years that a U.S. warship to pay port visit to Cambodia, marking a beginning of a strong navy-to-navy relationship with many opportunities for the future.

January 25 "U. S. Marines to assist Tajik Forces in anti-terrorism training " (RIA Novosti, January 25, 2007)

From January 28 until March 9, United States Marines will conduct an anti-terrorism training exercise with Tajikistan's Special Forces and border guards for the first time at the Fakhrabad military training centre south of Dushanbe. The United States has promised 14 million US dollars to help strengthen Tajikistan's border security and anti-narcotics capabilities. Currently, Tajikistan is home to approximately 200 French troops and several aircraft that are used in the NATO operation in Afghanistan.

January 26 "U. S. Missile Defense Intercept Test Successful" (Missile Defense Agency News Release, January 27, 2007)

According to Missile Defense Agency Director Lieutenant General Henry Oberin, a planned intercept test for the Terminal High Altitude Area Defense (THAAD) missile defense element was successfully conducted on January 26 at the Pacific Missile Range Facility off the island of Kauai in Hawaii. THAAD is the first weapon system with both endo-atmospheric (inside the atmosphere) and exo-atmospheric (outside the atmosphere) capability developed specifically to

defend against short, medium and intermediate range ballistic missiles.

1.3 Diplomacy and International Relations

January 15 "Second East Asian Summit was held" (MOFA HP, January 15, 2007)

The Second East Asian Summit (EAS) was held on the Philippine island of Cebu on January 15. From 13 previous to the EAS, a series of top meetings including ASEAN summit and ASEAN plus three, and top meetings between Japanese and Chinese leaders as well as between Japanese and the ROK were held respectively. At the EAS, taking into considerations of the increasing demand of energy in Asian region and rising oil prices, Asian leaders adopted the "Cebu Declaration on Energy Security" for the energy security as common concerns for every country. The summit emphasized in the statement to; (1) improve the efficiency and environmental performance of fossil fuel use, (2) reduce dependence on conventional fuels, (3) urge every country to set goals and establish action plans to improve energy efficiency, and (4) secure stable energy provision by investment in energy resource and infrastructure development. The third East Asian Summit is to be convened in Singapore on November 21 2007.

Note: Chairman's Statement of the Second East Asia Summit;

<http://www.mofa.go.jp/region/asia-paci/east/state0701.html>

Note: Cebe Declaration on Energy Security;

<http://www.mofa.go.jp.region/asia-paci/east/energy0701.html>

January 23" President Bush, the State of Union Message" (The White House HP, January 23, 2007)

U.S. President George W. Bush made his sixth annual State of the Union Message on January 23. The main points of speech were his anti-terrorist war and domestic policy. In energy area, he particularly emphasized an importance of reducing consumption of oil in energy sector. Below are the key points: (1) The United States has relied on foreign oil too long. With this reliance America is weak against hostile regimes and terrorists. There are fears that they will confuse the oil transport, raise the oil price, and damage the economy. (2) Diversification of energy providers is vital for the United States. By utilizing fully the clean coal technology and safe nuclear plants, we need to continue the revolution of production means of our electronic power. We continue to make investments in the means of ethanol productions, and reduce the domestic gasoline consumption by 20 percent. With this, we can cut U. S. our oil imports coming from the Middle East to three-thirds of the current levels.

Note: State of the Union address by President George W. Bush;

<http://www.whitehouse.gov/news/release/2007/01/print/20070123-2.html>

Commentary

Russian President Putin's Visit to India

Russian President Vladimir Putin paid an official visit to India from January 25 to 26 after two years, and met Indian Prime Minister Manmohan Singh on 25 in an annual summit. Two leaders issued a joint statement pledging development of the relations between the two countries. They signed an agreement with nine documents including promotion of relations in peaceful use of a nuclear energy as well as military and space areas. Putin's visit to India came after both U. S. President George W. Bush and China's President Hu Jintao had visited New Delhi in March and November 2006 respectively to promote ties. His visit may be intended with an aim of strengthening relations and showing presence in India. In 2000 Russia and India signed a declaration of strategic partnership, and they have maintained the historically close ties between the two countries. Below is a summary on the significance of the Putun's visit.

1. Major Agreement Deals in the Joint Statement¹

In the political and diplomatic areas, in general, there are: (1) Prime Minister Singh will visit Russia in 2008 at the invitation of President Putin. (2) The Sides call for an expansion of trilateral cooperation within the China-Russia-India framework. (3) The Sides will work toward the establishment of a multi-polar world order based on the principles of the rule of law, sovereign equality, territorial integrity and non-interference in internal affairs of States. In this context, Putin reaffirmed its support to India

¹ Refer to Indian Ministry of External Affairs HP; <http://meaindia.nic.in/jshome.htm>

as a candidate for the permanent membership in UN Security Council. With an aim of promoting trilateral cooperation, India, Russia and China will hold an official meeting of their foreign ministers in New Delhi in this March.

In the area of energy security, the Sides agreed to further enhance direct dialogues between their oil and gas companies aimed at concluding concrete and mutually beneficial commercial agreements for joint work in all segments of oil and gas cooperation in India, Russia and third countries.

Regarding the peaceful use of nuclear energy, another joint statement on this issue² was issued. Both sides confirmed their intent of expanding cooperations in this area, and reached the agreement below. (1) Russia is currently helping to build two reactors at Kundakulam in the southern state of Tamil Nadu. Moscow will also provide four additional power units at the nuclear site under construction in Kundakulam. (2) Moscow will also cooperate in building another Russian-designed nuclear plant at other site in India. (3) Russia will continue to work with the participating governments of the Nuclear Suppliers Group(NSG) in order to create conditions through amendment to its guidelines to facilitate expansion of civilian nuclear energy cooperation with India.

Military-technical cooperation between India and Russia has traditionally remained a major pillar of the bilateral strategic partnership. The Sides note with satisfaction that mutually beneficial interaction in the field of defense has steadily progressed from a buyer-seller format to also include joint research and development, manufacturing and marketing, regular service to service interaction and joint exercises. As the

² Refer to Indian Ministry of External Affairs HP; <http://meaindia.nic.in/jshome.htm>

leading symbols of bilateral collaboration are noted India-Russia joint venture to manufacture Brahmos missile, and joint development of a new Multi-Role Transport Aircraft and a fifth-generation fighter aircraft.

Regarding the cooperation in the space area, the Sides agreed to India's participation into implementing cooperation in the Russian Global Navigation Satellite System (GLONAS). They also signed a bilateral document to jointly develop and launch an artificial satellite.

2. Evaluation on Indo-Russian relations viewed from the major items of the agreements

(1) In the political and diplomatic areas, it is of note that two sides agreed to aim an expansion of cooperation in trilateral format involving China, Russia and India and establishment of multilateral world orders. In this background is their goal of containing the unilateral control by the United States. The three-nation meeting was already held during the Sankt Peterburg-summit in July 2006. It is believed that what they have mentioned in the recent joint statement may have been intended to consolidate the three-nation framework. Talking at the joint press meeting³ after the conference that they should pursue a direction of strengthening cooperative relations within the trilateral format, President Putin expressed his strong expectation to the development of this framework.

On the other hand, India may have taken the visits of the heads of the three powers of U. S., China and Russia as nothing but an assurance that these powers recognized a political, economic and strategic importance of New Delhi. With a

lever of its growing presence, India looks like building up the posture of containing others with sense of balance of not leaning toward any specific countries or neglecting consideration for other countries. India is a country with vitality of great possibility of future development and international status of presence and nuclear power which was recognized by the United States through the U. S. –India Peaceful Atomic Energy Cooperation Act. Under the influence of this backing, India is implementing its assertive foreign policy toward the three major powers of the U. S., China and Russia, by using tenacious diplomacy, and tough negotiating skills cultivated as a leader of non-alignment nations during the cold war.

(2) The joint statement is noted for promotion of mutual relations in the area of energy security. Putin said at the press meeting that the relation of trust between two parties is at its high level. Urging that this high level of political trust between the two countries should be converted to great level of economic interaction, he expressed his expectation for the development of economic ties between the two countries. During Putin's visit to India, Russia implemented an assertive policy of strengthening bilateral strategic partnership over the energy and military areas backed by financial power brought by a steep rise in crude oil prices. Recognizing that an imminent task of supporting Indian economy is to procure energy, Putin implemented his policy on Russian contributions to India in the area of peaceful use of nuclear energy and his readiness for further cooperation. Russian delivery of nuclear reactors to India is regarded to precede the U. S. and France by taking advantage of its previous cases. Fierce competitions will occur in future among the United States, European countries and Russia over the entry of these participants into the market for nuclear reactors in India.

³ Refer to Indian Ministry of External Affairs HP; <http://meaindia.nic.in/>

According to an Indian journalist, Sudha Ramachandran, India is expecting an increase of delivery of oil and natural gas from Russia, and is participating in oil-exploration project off Sakhalin with a 20 percent stake in the Sakhalin-I oil block in Russia. Moscow is keen on Indian investment in the Sakhalin-III project as well and in the development of the Vankor oil and gas fields in eastern Siberia. Military was at the core of the India-Russia strategic partnership for decades. According to Ramachandran, with Putin's recent visit to India, the development of cooperative relations in the energy security appears to have become a top priority. (Asia Times Online, January 30)

(3) The development of cooperative relations in the military areas is also noteworthy. As it is noted in the joint statement, the cooperative relations that have continued since the Cold War era have steadily progressed from a buyer-seller format to global levels which include joint developments and joint exercises. Even today more than 70 percent of weapons of Indian armed force are said to be Soviet- and Russian made. India is scheduled to deploy in 2008 an aircraft carrier with its MiG-29Ks purchased from Russia. It is of interest how joint developments of Multi-Role Transport Aircraft and fifth generation fighter aircraft will be realized. According to Russian Defense Minister Sergei B. Ivanov, New Delhi has expressed an intention of acquiring 125 multi-role combat aircraft as well. Ivanov said discussions were also held on the prospects for the future supply of MiG-35 fighters to India. (Times of India, Jan. 24)

On the other hand, India is also promoting military relations with the United States. On January 17, Indian Navy took charge of USS Trenton, an amphibious loading dock, in a handing over ceremony at the Norfolk Naval

Base in Virginia. The 17,000 ton vessel will be the first American ship to join the Indian fleet. (Refer to Military in this Monthly Report.) Simultaneously, India is exerting its energy to indigenous production of weapons, in particular, construction of naval vessels. The procurement of the weapons long inclined to the Soviet Union and Russia will gradually change, as the weapons become obsolete.

1.4 Shipping, Resources, Environment, and Miscellaneous

January 7 "China's aim for oil transport via Mekong River and its Problems "(Asia Times Online, January 7, 2007)

Regarding the Chinese oil transport via the Mekong River in December 2006 (refer to Monthly Report, December 2006), a Thai journalist, Marwaan Macan-Markar, points out that China's use of the Mekong River as a new oil-shipping route is raising new environmental concerns that accidental spills could adversely affect the livelihoods of nearly 60 million downstream river dwellers and eventually evolve into a bone of diplomatic contention between Southeast Asian countries and China. Below are the major points of the article.

(1) The use of the Mekong River underscored Beijing's steadfast determination to find alternative routes for transporting the oil and gas it imports from the Middle East.

(2) The Mekong River, which originates in Chinese territory, has long been a point of contention between China and Southeast Asia. Although China was planning to develop as many as a dozen hydroelectric dams along the upper reaches of the river, Beijing recently scaled back those plans, due to strong criticism from downstream riparian communities. Currently, the two dams are already in operation, which at times appears to dry up the river in northern Thailand.

(3) The Mekong River was made accessible to large cargo ships only in 2004, when a series of rocky rapids in Laos were cleared by Chinese engineers. It was not until 2004 that Beijing unveiled vague plans to use the new trade route for shipping oil, and environmentalist groups expressed their concern about this issue for the first time. They raised a new question that no information has been released to the public. What the environmentalists are fearful of is pollution of the river caused by possible oil spills. The Mekong River Commission (MRC), an inter-governmental body comprising the lower-basin countries of Thailand, Laos, Vietnam and Cambodia, says communities living along the river's lower basin in particular depend on it for its bountiful fish supply. According to the MRC based in the Laotian capital Vientiane, the annual fishery in the lower Mekong accounts for nearly 2 percent of the total world catch and 20 percent of all fish caught from inland waters of the world.

(4) China's decision to use the Mekong River as a new oil route comes as its demand for energy soars, and China's oil route along the Mekong River is one of two plans it unveiled in its bid to avoid the Strait of Malacca. In April 2006, China inked a deal with Myanmar to build an oil pipeline linking Myanmar's deep-water port of Sittwe to the Yunnan provincial capital Kunming. One of the proposed routes for the pipeline begins at the Myanmar port in the Bay of Bengal, heading east through Arakan state to the Arakan Yoma mountain range, through the Magway and Mandalay divisions and then through Shan state before entering southern China. The deals have helped to prop up Myanmar's previously cash-strapped military regime financially. However, this proposal has also raised concerns about forced location of the various ethnic minority groups and environmental issues.

January 9 "Japanese supertanker 'Mogamigawa' and U. S. submarine collide" (AP, January 9, 2007)

On January 9, a Japanese oil tanker and U.S. nuclear-powered submarine collided with in the Straits of Hormuz. According to the Japanese government and U. S. naval authorities, no one was hurt in the accident , and there was no resulting spill of oil or leakage of nuclear fuel. Damage to the fast-attack USS Newport News submarine and the supertanker was light, and both ships remained able to navigate. The U. S. Navy said the sub's nuclear propulsion plant was undamaged.

January 15 " Brunei signs Ports Pact with Thailand " (Borneo Bulletin, January 16, 2007)

Brunei Darussalam and Thailand inked a Memorandum of Understanding on January 15, which will now be able to facilitate cooperation in the fields of shipping, ports, freight forwarding and human resources development. The memorandum aims to facilitate cooperation in terms of Government-to-Government, private sector and state-owned companies in accordance with their respective laws and regulations, based upon mutual understanding, respect and benefit.

January 17 "RP deploys more than 250,000 Seafarers in 2006 " (Manila Times, January 17, 2007)

The number of seafarers the Philippines deployed abroad for the world maritime transport breached the government's target of 250,000 a year, posting a growth rate of 4.9 percent compared to the same period in 2005. The Department of Labor and Employment (DoLE) took pride on the adherence of the country's highly skilled maritime workers to the global standards enforced by the International Maritime Organization (IMO) to Manila belongs as a member. Brien, the head of DoLE , says the global deployment of overseas Filipino seafarers reached 260,084, who sent home a total of 589 million US dollars(USD) or a 16.4 percent growth over the 365 million USD during the same period in 2005.

January 22 "Former Australian Navy Vessel to Become FPSO " (RIGZONE, January 22, 2007)

AGR Group, the Norway-based oil technology and services group and Helix Energy Solutions Group, Inc., a Houston-based energy services company, have jointly acquired a fuel supply vessel from the Australian Navy, with the intent to convert the vessel into a Floating, Production, Storage and Offloading vessel (FPSO). The vessel to be remodeled is the "Westralia" of 34,000 DWT built in 1979. The Westralia will be remodeled after being transferred to Indonesia, and, after it was renamed Shiraz, the FPSO will be marketed broadly to oil and gas operating companies throughout Southeast Asia as an early production system or extended production test vessel.

Note: FPSO vessel (also called a "unit" and a "system") is a type of floating tank system used by the offshore oil and gas industry and designed to take all of the oil or gas produced from a nearby

platform (s), process it, and store it until the oil or gas can be offloaded onto waiting tankers, or sent through a pipeline.

Source : Wikipedia, the free encyclopedia
http://en.wikipedia.org/wiki/Floating_Production_Storage_and_Offloading

January 22 "Malaysia to Supply Natural Gas to Shanghai " (China.Org CN, January 23, 2007)

China and Malaysia initiated a major liquefied natural gas (LNG) supply project on January 22. This deal will be the largest trade contract between China and Malaysia. Under the terms of the contract, a subsidiary of Malaysia's state-owned Petronas petroleum corporation will deliver LNG to a terminal at Shanghai's deep-water Yangshan port starting in 2009. From 2009 through 2012, the supply will bring 1.1 million tons of LNG per year into Shanghai, and then increase to 3 million tons per year after 2012. With this project, the LNG terminal will be constructed in Shanghai.

January 29 "China begins filling oil into its first strategic oil reserve " (New Kerala .com, January 29, 2007)

On January 29, China started filling the strategic oil reserve base, which is located in Ningbo in Zhejiang Province*. China approved the construction of four national strategic oil reserve bases in 2004. The other three are in Daishan, also in Zhejiang Province, Huangdao in east China's Shandong Province and Dalian in northeast Liaoning Province. "Compared with the United States and Japan, China is late in building its first strategic oil reserve and the size of the reserve is small," an official from the National Development and Reform Commission (NDRC) said. Official statistics showed that China imported a record 145.18 million tons of crude oil in 2006, making it the world's third largest oil importer after the United States and Japan.

Note: In an article of the China Daily, which was carried in our OPRF Monthly Report June 2006,

it was reported as Chinhai, Zhejiang Province. Although it is located in vicinity, Chinhai is facing the sea.

2. Intelligence Assessment

Piracy and Armed Robbery-Incidents in 2006 (From Annual Report of IMB)

On January 22 2007, the International Maritime Bureau (IMB) issued, through the Piracy Reporting Center (PRC), its annual report on piracy acts and armed robbery- incidents that occurred against the shipping in the year 2006 (hereafter report). According to a definition of the IBM, "Piracy and Armed Robbery against Ships are an act of boarding or attempting to board any ship with the apparent intent to commit theft or any other crime with the apparent intent or capability to use force in the furtherance of that act." The characteristics of robbery-incidents in 2006 viewed from the annual report are summarized below.

1. The number of Actual and Attempted Attacks and Characteristics viewed from locations

The number of the attacks occurred and reported in the year 2000 totals 239 cases. Of them, 176 cases are actual attacks, which include 14 cases of hijacking, and 162 cases of boarding. The attempted incidents total 63 cases. Of them, seven cases are weapon-firing incidents, and 56 cases are attempted boarding events.

The total number of attacks decreased to 239 compared to 276 in 2005. Over the past five years, it shows a drastic reduction, and clearly indicates a steady declining tendency, compared to 370 cases in 2002, 445 cases in 329, and 329 cases in 2004 respectively. According to the report, it is the lowest number of attacks since 1998. The report attributes this decline to alertness and surveillance of ships' crew in hot spot areas, continued patrols by law enforcement agencies and navies and the continued worldwide concern to piracy and armed robbery against ships, which has led various agencies and governments into seriously dealing with this menace.

On the other hand, while welcoming the declining tendency of occurrence of attacks, the report says piracy incidents are becoming more violent and situation has deteriorated in some hot spots, requiring continued alertness to the shipping owners, crew members, and maritime legislative organizations.

In view of locations of the attacks, of 239 cases in 2006, 168 cases, which are equal to more than two-thirds of a total, occurred in the seven places in the maritime areas. In order of numbers in locations, there were 50 cases in the areas around Indonesia, followed by 47 off Bangladesh, 12 off Nigeria, 11 in the Malacca straits, 10 off Somalia, 10 off Malaysia (off its East coast), 10 in the Gulf of Aden and Red Sea, 9 off Tanzania, and 9 off Peru.

According to this data, the highest number of attacks was noted in the waters around the Indonesian archipelagoes; however, it decreased by 35 percent, compared to 79 attacks in 2005. This is attributed to strengthening of patrols by the Indonesian law enforcement agencies and Navy, says the report. On the other hand, according to the statistics of the report, the trend that

the piracy incidents in the Indonesian waters mark the highest record has not changed for the past ten years.

Number of attacks in the Malacca straits is 11, which is only one case fewer than that in 2005. It is a drastic decline compared to 38 cases in 2004. For the past 10 years, in the Malacca straits, the year 2000 records 75 attacks, which is the highest number ever noted. The year 2004 comes second.

The movements of securing safety in the waters around the Indonesian archipelagoes and the Malacca straits have been mentioned in our monthly reports on every occasion. The major event in 2006 was a removal of the Malacca straits from the list of risky areas. On August 7, London Insurer Lloyd's decided to remove the Malacca straits from its list of 20 risky areas in the world which might threaten the security of shipping navigation, saying there had been a "significant improvement" in security for the Straits. The removal was a year after it had designated the Straits as a dangerous area in July 2005. However, according to the Lloyd's, ships visiting north-east ports on the Indonesian island of Sumatra from latitude 00° 48' N to 05° 40' N will continuously have to pay additional war-risk insurance premiums (transit will be excluded).

As an additional major event, the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP) was officially launched on 4 September. The ReCAAP is the first government-to-government agreement on anti-piracy measures. Based on this agreement, the Information Sharing Center (ISC) was established as an independent and international body on November 29. Japanese Permanent Mission to the United Nations, Yoshiaki Ito, was selected as first executive director of the ReCAAP ISC.

On the other hand, on November 21, the Philippines and Indonesia agreed to improve border patrols at the vast sea lanes between the two countries. The declaration of the agreement was made at the 25th Philippine-Indonesia Border Committee Chairman's Conference held in Manado, northern part of the Sulawesi islands, Indonesia. Both countries also agreed to conduct at least four coordinated patrol activities annually, and to exchange information on terrorism issues.

Both countries agreed to discuss six agenda, including the setup of a joint working group tasked to codify and compile the reports and agreements made by both sides since the past 13th to the 24th border committee meeting. In the meanwhile, the Philippines started a 10-day annual joint border exercise with Malaysia on the 21st, in a bid to strengthen their capability to handle the threat of terrorism. As a nation of out-of-region, Australia has played an active role of contributing to security in this maritime area through her assistance to Indonesia and Philippines.

Bangladesh recorded the second highest number of attacks with 47 incidents, which doubled compared to 21 cases in 2005. In this country, incidents of a two-digit number have continued since 1999, and the figures of incidents in 2006 remain high next to 58 in 2003. Notably, most incidents took place in and around the port and anchorages off Chittagong. Pointing out that the robbers and pirates armed with knives and/ or pipes would not hesitate to use them on escaping crew members, the report warns the Bangladesh authorities to realize its dangers.

Nigeria recorded the third highest number of attacks. Although the number of incidents off Nigeria in 2006 is fewer by four cases compared to that in 2005, many are kidnapping and attacks against foreign oil workers. It is a significant decrease compared to 39 in 2003.

The attacks off Somalia total 10 cases, which have dramatically decreased compared to 35 cases in 2006. According to the report, this reduction is due to increased patrols by the coalition naval forces as well as a result of anti-piracy measures by the Union of Islamic Courts (UIC) who has recently taken control of the middle and southern areas in Somalia.

However, in December 2006, as the interim government of Somalia supported militarily by Ethiopian forces has successfully driven out the UIC, it is feared that the old militias may resume piracy attacks on ships in order to raise revenue, says the report. Also, the attacks in the Gulf of Aden and Red Sea total 10 cases, equal numbers in 2005, which indicate that the surrounding areas in the region of the “Horn of Africa” continue to remain as a dangerous maritime area. Many of the pirate incidents occur in the offing far away from the shores, and the pirates are regarded to be using “mother ships”. Therefore, vessels that do not enter Somali ports are cautioned to navigate the sea, keeping away from more than 75 miles from the coast.

Table 1: Asia and other main locations of actual and attempted attacks, January-December from 2000 to 2006

Locations	2000	2001	2002	2003	2004	2005	2006
Indonesia	119	91	103	121	94	79	50
Malacca Straits	75	17	16	28	38	12	11
Malaysia(East Coast)	21	19	14	5	9	3	10
Philippines	9	8	10	12	4	0	6
Singapore Straits	5	7	5	2	8	7	5
Thailand	8	8	5	2	4	1	1
South China Sea	9	4	0	2	8	6	1
Vietnam	6	8	12	15	4	10	3
Bangladesh	55	25	32	58	17	21	47
India	35	27	18	27	15	15	5
Red Sea / Gulf of Aden	13	11	11	18	8	10	10
Somalia	9	8	6	3	2	35	10
Nigeria	9	19	14	39	28	16	12
Tanzania	2	7	3	5	2	7	9
Peru	4	1	6	7	5	6	9

Note: Depicted from Table 1, p.5 of the 2006 Annual Report. The data of 2000 and 2001 are quoted from Table 1, p.5 of the 2005 Annual Report.

2. Characteristics from Postures

According to the report, of 239 cases of piracy in 2006, the number of actual attacks by pirates

and armed robbers while the vessels were berthed or anchored was 14 (and one attempted case), and 113 cases (and 22 attempted cases) while they were anchored. As for the attacks during steaming, 48 were actual cases, while 40 were attempted ones. Besides, there was another unstated, actual case.

In 2006, more than three attacks were reported in ports and anchorages respectively with a total of 13 locations and 110 cases. This indicates a reduction compared to a total of 18 locations and 117 cases in 2005. Moreover, declining tendencies in a total of locations and cases were also noted, compared to 24 locations and 166 cases in 2002, 27 and 180 in 2003, and 21 and 130 in 2004, respectively.

In view of the cases of attacks by locations, the most dangerous port in the world is Chittagong, Bangladesh with 46 cases in 2006. This is a remarkable increase, compared to 19 cases in 2005, nine in 2004, and 40 in 2003, and 25 in 2002 respectively. The second is Tanjung (Tg) Priok, Jakarta, Indonesia with 12 cases, which is fewer, compared to 15 case in 2005 and 18 in 2004 respectively. Even in the same country of Indonesia, attacks have decreased to three cases in Balikpapan along the east coast of Kalimantan (Borneo Island), compared to 10 cases in 2005. In Balikpapan 21 cases were noted in 2002, seven in 2003, and 13 in 2004 respectively. In Indonesia, 3 cases also occurred in Belawan, Sumatra Island facing the entry and exit point of the Malacca straits. Four cases were noted in 2005 and 2006 respectively. Also, three cases occurred in Dumai, Sumatra Island, in the middle part of the Malacca Straits. No cases were reported in 2006 in Bontang on the east coast of Kalimantan (Borneo Island), Adan Bay, or Pulau-laut, Irian-Jaya (New Guinea Island). However, in 2005, four cases in Bontang, three in Adan Bay, and three in Pulau-laut were reported.

Regarding the ports where high number of attacks was noted in 2006, Dar Es Salaam, Tabzania came third with nine cases, followed by Callao, Peru with eight cases, and Lagos, Nigeria with six cases, which decreased from 11 in 2006.

As for the number of the ships attacked by type, the highest number was 57 for Bulk carrier. The second was 49 for Container, and the third was 35 for Tanker Chemical/Product, the fourth was 30 for General cargo, and the fifth was Fishing/Trawlers. These orders are the consecutive trends for the past several years.

Regarding the weapons used, knives are the most common, followed by guns and other weapons.

Table 2: Types of arms used during attacks, January to December 200-2006

Types	2000	2001	2002	2003	2004	2005	2006
Guns	51	73	68	100	89	80	53
Knives	132	105	136	143	95	80	76
Other weapons	40	39	49	34	15	13	10
Not stated	246	118	117	168	130	103	100
Total for year	469	335	370	445	329	276	239

Note: Depicted from Table 6, p.10 of the 2006 Annual Report.

As for the damages of crew members and passengers, 317 persons were the victims of the piracy attacks in 2006. The types of violence to crew and passengers since 2000 are shown below.

Table 3: Types of violence to crew and passengers, January to December 2000-2006

Types	2000	2001	2002	2003	2004	2005	2006
Taken hostage	202	210	191	359	148	440	188
Kidnap / Ransom	-	-	-	-	86	13	77
Threatened	72	45	55	65	34	14	17
Assaulted	9	16	9	40	12	6	2
Injured	99	39	38	88	59	24	15
Killed	72	21	10	21	32	-	15
Missing	26	-	24	71	30	12	3
Total for year	480	331	327	644	401	509	317

Note: Depicted from Table 8, p.10 of the 2006 Annual Report.

According to this data, although number of the victims is decreasing compared to 2005, 15 persons were killed. Also, kidnappings for ransoms are increasing. From locations, 87 hostages were noted in Somalia, which marked overwhelmingly high number. Next came 43 in Indonesia. In case of kidnappings for ransoms, Nigeria is the highest with 49 persons, followed by Sri Lanka with 25. The number and locations of those killed were five in the Philippines, four in South China Sea, three in Nigeria, and one each in Trinidad and Tobago, Somalia, and Saudi Arabia.

Links

AFP	http://www.afp.com/home/
American Forces Information Service	http://www.dod.mil/afis
AP	http://www.ap.org/
Arab News	http://www.arabnews.com/
Asian News International	http://edition.cnn.com
Asia Times Online	http://www.atimes.com/
Associated Press	http://www.ap.org/
Aviation Week & Space Technology	http://www.aviationw
Borneo Bulletin Online	http://www.brunet.bn/
Business Daily	http://businessdailyreview.com/
China Org.CN	http://www.china.org.cn/english/index.htm
CNN	http://www.cnn.com/
Hindustan Times	http://www.hindustantimes.com/news/7446_0,00050002.htm
London Daily Telegraph	http://www.telegraph.co.uk/
Manila Times	http://www.manilatim
MINDEF SINGAPORE	http://www.mindef.gov.sg/imindef/home.html
Missile Defence Agency News Release	http://www.mda.mil/m
National Defence	http://www.nationaldefensemagazine.org/issues
New Kerala.com	http://www.newkerala.com/
Reuters	http://today.reuters.com/news/default.aspx
RIA Novosti	http://en.rian.ru/
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U.S.Air Force Print News Today	http://www.af.mil/ne
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