

OPRF MARINT Monthly Report

February 2008



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Patterns and Trends of Piracy and Armed Robbery in Asia
~ From ReCAAP Annual Research Report 2007 ~

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

Each resource is referenced with bracket below each title and is displayed as link URL on the last page of this report.

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Major Events in February 2008

Security: On February 4, Russian maritime rescue officials said a Russian tugboat *Svitzer Korsakov* was captured by armed pirates off Somalia's coast in the afternoon on February 1, and it is regarded being held at a port outside the capital Mogadishu.

On February 4, Indonesian Maritime and Fisheries Minister Freddy Numberi said Indonesia will deal resolutely with foreign fishermen poaching in Indonesian waters and scuttle their boats when caught to be sunk. Freddy said illegal fishing in Indonesia was equal to 1.6 million tons of fish or some 25 percent of the country's total fishery potential.

On February 13, Malaysian Deputy Prime Minister and Defense Minister Datuk Seri Najib Tun Razak said the government has yet to receive a formal response from the Thai government on its invitation to participate in air patrol over the Straits of Malacca. The Defense Minister said Thailand, however, had indicated keen interest to join the initiative.

On February 28, the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP) Information Sharing Center (ISC) issued to the public an annual report on piracy and armed robbery against ship during the period between 2003 and 2007. According to the report, the number of the incidents that occurred during the past five years is showing a declining tendency as a whole. There were 100 incidents reported in 2007, of which 77 were actual cases, and 23 were attempted cases. As for the details, they will be discussed in the 2 intelligence assessment in this monthly report.

Military: The U.S. Navy has deployed all three *Seawolf*-class nuclear submarines to the base at Puget Sound, Washington. This basing is part of the Defense Department's "60/40" realignment of fast-attack submarines, with 60 percent of the fleet slated to operate in the Pacific Ocean and 40 percent in the Atlantic by 2010. The shift underscores a reaction to advancing Chinese military strength.

The U.S. daily newspaper *International Herald Tribune* dated 7 February published a long interpretive article that the U.S. military officials are wary of China's expanding submarine fleet. According to the report, the United States is worried that China is investing heavily in the area-denial weapons without explaining why it needs them.

On the morning of February 9, a Russian air force bomber Tu-95 violated Japanese airspace for about three minutes over Sofgan, which lies on the southernmost tip of the Izu island group. Also, two Russian bombers flew close to an American aircraft carrier, USS *Nimitz*, sailing toward Japan in the western Pacific on November 9, a U.S. military official said on February 11. Regarding the activities of the Russian bombers, U.S. military officials are assessing whether or not Moscow is returning to its Cold War tactics.

On February 20, a U.S. Navy AEGIS warship, the USS *Lake Erie* (CG-70), fired a single Standard Missile-3 (SM-3) hitting a non-functioning National Reconnaissance Office (NRO) satellite approximately 247 kilometers over the Pacific Ocean off Hawaii as it traveled in space at

more than 17,000 miles per hour.

On February 26, India successfully tested a submarine-launched missile of K-15, which was fired from a submerged pontoon in the Bay of Bengal, off Vishakhapatnam in the India's eastern coast. The K-15 is a two-stage missile with a top range of 700 kilometers and is capable of carrying a nuclear warhead.

On February 29, the U.S. and China signed an agreement in Shanghai for a direct telephone link (DTL) between the two countries to facilitate rapid communications in times of crisis.

Diplomacy and International Relations: On February 2, Taiwan's President Chen Shui-bian visited Taiping Island in the Spratly island group in the South China Sea. Chen flew in a military aircraft C-130 transport plane to Taiping Island to officiate at the airstrip inauguration ceremony. Chen's visit is regarded to be made with a major aim of claiming Taiwan's sovereignty over the island chain. Proposing a "Spratly Initiative" during his speech at the inauguration ceremony of the airstrip, Chen urged the nations concerned to settle the complicated and difficult territorial disputes in the South China Sea peacefully, stressing the importance of establishing a joint collaboration with all nations and the necessity of protecting the environment. On February 10, Chen arrived at the Taiwan-held Dongsha Island in the South China Sea, marking his third visit to this atoll since he assumed presidency in 2000.

Shipping, resource, Environment, and Miscellaneous: Bangladesh newspaper, the *Financial Express*, dated February 5 reports that the ship building industry in Bangladesh is set to emerge as new export leader. According to the article, Bangladesh shipbuilding companies are placing great importance on construction of small ocean-going vessels. Expert said it was only a matter of time before Bangladesh emerges as a major hub for building small ocean-going ships.

The true scale of CO² climate change emissions from shipping is almost three times higher than previously believed, according to a leaked UN study seen by the British newspaper, *The Guardian*, dated 13 February. It calculates that annual emissions from the world's merchant fleet have already reached 1.12 billion tons of CO², or nearly 4.5 percent of all global emissions of the main greenhouse gas. Moreover, it warns CO² emissions are set to rise by a further 30 percent by 2020.

On February 22, China's State Oceanic Administration has issued a report outlining China's oceanic development strategy. The report says the country's offshore sea area is suffering from serious pollution, which now exceeds 160,000 square kilometers, almost doubling in size over the past decade. High levels of chemical nutrients have led to deterioration in water quality in the sea water of some bays and sea areas near cities.

1. Information Digest

1.1 Security

February 1 “Russian tugboat hijacked by Somali pirates” (RIA Novosti, February 4, 2008)

On February 4, Russian maritime rescue officials said a Russian tugboat *Svitzer Korsakov* was captured by armed pirates off Somalia's coast in the afternoon on February 1. The tugboat is regarded being held at a port outside the capital Mogadishu. The *Svitzer Korsakov* was seized during a voyage from St. Petersburg to Russia's Far Eastern island of Sakhalin via Singapore. Two of the crew members including the captain are British, and four Russians. The crew members' lives are not in danger. Talks between the ship owner, Svitzer Wijsmuller Sakhalin Ltd., and the pirates are underway.

February 4 “Indonesia to strengthen measures against poaching” (Antara News, February 4, 2008)

On February 4, Indonesian Maritime and Fisheries Minister Freddy Numberi said Indonesia will deal resolutely with foreign fishermen poaching in Indonesian waters and scuttle their boats when caught to be sunk. Freddy clarified this policy after witnessing the signing of an agreement on Standard Operating Procedures between his ministry, the National Police and the Navy. Freddy said illegal fishing in Indonesia was causing a financial loss of 30 trillion rupees a year to the state. The amount was equal to 1.6 million tons of fish or some 25 percent of the country's total fishery potential. The Australian government had also adopted the same policy, sinking foreign boats that had entered the country's territorial waters illegally. To be able to take the stern measure, the government would revise law, the minister said, admitting that currently law enforcement at sea had yet to run optimally and to that end a more effective, efficient, rational and integrated system was needed.

February 11 “Indonesia's Custom Office to have three new patrol boats” (The Antara News, February 11, 2008)

On February 11, the directorate for investigation of the Indonesia's Customs Office (DJBC) said the DJBC was building three new patrol boats at the State-owned ship-builder PT PAL, getting a fund for their procurement from the Islamic Development Bank (Main Office based in Jidda, Saudi Arabia). According to the directorate, with the small patrol boats it now has, DJBC often has difficulty chasing smugglers in eastern and western Indonesia waters where the waves often reach a height of five meters. It is now time for the Customs Office to have wide-bodied patrol boats with a length of 38 meters that can sail from island to island and brave high sea waves. He said construction of the new boats would be completed in February 2009. DJBC now has a total of 207 patrol boats of five types.

February 13 “Indonesian Navy patrolling waters around Timor Leste” (Antara News, February 13, 2008)

Two Indonesian warships are currently patrolling waters near Indonesia’s maritime borders with Timor Leste, chief of the Indonesian Navy’s Eastern Fleet Command Rear Admiral Adi Prabawa said on February 13. He said patrols had routinely been conducted under the codename “Operation Samor” before the political and security situation in Timor Leste nearly became destabilized, and there would be no plan to increase naval strength in accordance with the deterioration of the situation. So far there has been no indication of a sea-borne exodus from Timor Leste.

February 13 “Thailand indicates keen interest to participate in air patrol over the Straits of Malacca” (Bernama, February 13, 2008)

On February 13, Deputy Prime Minister Datuk Seri Najib Tun Razak said the government has yet to receive a formal response from the Thai government on its invitation to participate in air patrol over the Straits of Malacca – “Eye in the Sky” initiative. The Defense Minister said Thailand, however, had indicated keen interest to join the initiative. The “Eye in the Sky” is an aerial patrol initiative promoted by Malaysia to counter piracy and terrorism threats in the Straits of Malacca. The initiative was launched in September 2005 and participated by the three littoral states of Malaysia, Indonesia and Singapore. Each state contributed two aircraft to conduct air patrols along the Straits of Malacca.

February 21 “China to get seven patrol vessels” (People’s Daily, February 21, 2008)

According to a program for the development of the China's oceanic industry conducted by the State Oceanic Administration issued by the State Oceanic Administration on February 21, China will procure seven new patrol ships to strengthen the operational capabilities in the territorial waters and the exclusive economic zone (EEZ) over the next three years. The program says a vessel of 3,000 ton that carries a Z9A domestic-made helicopter is expected to largely improve its aerial ability of law enforcement in domestic waters. Other vessels including two 1,500 ton supervisory ships and four of a 1,000 ton in addition to two land-based helicopters will also be built and deployed. The vessels will improve the abilities of finding, identifying, tracking and catching suspected targets on the water and provide effective administration in areas where illegal infringements frequently occur.

February 26 “U.S. Coast Guard issues advisory on port security in Indonesia” (US Embassy, Jakarta, Press Release, February 26, 2008)

On February 26, the United States Coast Guard issued a Port Security Advisory (PSA) for the majority of Indonesian ports, requiring ships visiting Indonesian ports to undergo extra security procedures before being allowed to visit U.S. ports. The U.S. Coast Guard issues PSAs for countries that do not comply with the International Ship and Port Facility (ISPS) Code security standards. However, sixteen Indonesian ports were exempted from the PSA requirements,

including the ports that comprise most of the major international shipping facilities in Indonesia. The Advisory takes effect March 11, 2008. The U.S. Coast Guard and U.S. Embassy are committed to helping Indonesia improve its port security and meet ISPS standards.

The port facilities that have been exempted from the PSA are as follows: PT Terminal Peti Kemas Surabaya, Banjarmasin Port, PT Pertamina Unit Pemasaran III, Pertamina Unit Pengolahan V Balikpapan, Senipah Terminal Total E&P Indonesia Balikpapan, Caltex Oil Terminal Dumai, Pelindo II Conventional Terminal Jakarta, Jakarta International Container Terminal, PT Pupuk Kaltim Bontang, PT Badak Bontang, PT Indominco Mandiri Bontang, Pertamina Unit Pengolahan II Dumai, PT Pelabuhan Indonesia I Cabang Dumai, Semarang International Container Terminal, Belawan Multi-Purpose Terminal, PT Multimas Nabati Asahan.

1.2 Military

February 1 “U.S. Navy re-deployed three newest nuclear fast-attack submarines to Pacific” (Seattle Post-Intelligencer, February 1, 2008)

With the arrival of the second unit of the U.S. Navy’s *Seawolf*-class of fast-attack nuclear submarines, the USS *Connecticut*, at Puget Sound, north of Bremerton, Washington, at the end of January, all three *Seawolf*-class submarines are now based in Puget Sound. This basing is part of the Defense Department’s “60/40” realignment of fast-attack submarines, with 60 percent of the fleet slated to operate in the Pacific Ocean and 40 percent in the Atlantic by 2010. The shift underscores a reaction to advancing Chinese military strength.

During its deployment after leaving Groton, Conn., the USS *Connecticut* navigated the Arctic, and then plied the Western Pacific, stopping in South Korea. (In Korea, the *Seawolf*-class’ presence drew the attention over its intention. Refer to 1. 2 Military in OPRF MARINT Monthly Report, November 2007.) Its sister *Seawolf*-class submarine, the larger USS *Jimmy Carter*, is said to have been specially designed to carry out secret missions.

There are now 22 Navy ships based in the Puget Sound area, including 10 nuclear-powered *Ohio*-class submarines (eight of which carry Trident nuclear ballistic missiles and with two converted to carry conventional ballistic missiles and 66 Navy SEALs), two nuclear-powered aircraft carriers, two guided-missile destroyers and three guided-missile frigates. By contrast, the southernmost West Coast Navy city, San Diego, is home to 45 Navy ships.

February 5 “Singapore commissions three new-type frigates” (Channel News Asia, February 6, 2008)

On February 5, Singapore commissioned three new stealth frigates—RSS *Intrepid*, RSS *Steadfast* and RSS *Tenacious*, following the first stealth sister frigate, RSS *Formidable* (3,200 tons) which had been commissioned in May 2007. Another two are expected to be delivered in

2009. Defense Minister Teo Chee Hean said at the commissioning ceremony that the ships would represent a quantum leap in Singapore Navy's warfare capabilities. They are armed with anti-aircraft missiles and state-of-the-art sensors. In addition, the ships will also be able to carry one S-70B Sikorsky helicopter each in 2009.

February 7 "U.S. military officials wary of China's expanding submarine fleet" (International Herald Tribune, February 7, 2008)

The U.S. daily newspaper *International Herald Tribune* dated February 7 reports that, for a procession of senior U.S. military commanders who have visited China in recent years, the complaint has become almost a routine. They say, "China is investing heavily in so-called 'area-denial weapons' without explaining why it needs them." The gist of the report is as follows.

- (1) The term "area-denial weapons" refers to a combination of armaments, technology and tactics that could be used to dominate a specific area or keep opposing forces at bay in a conflict. And one of the most formidable examples U.S. commanders identify is the Chinese Navy's rapidly expanding fleet of nuclear and conventional submarines. The U.S. military officials say that they feel a strong threat from Chinese nuclear and conventional submarine force which has been rapidly expanding. U.S. and other Western military analysts estimate that China now has more than 30 advanced and increasingly stealthy submarines, along with dozens of older, obsolete types. By the end of the decade, experts say, China will have more submarines than the United States, although it will still lag in overall capability. In a conflict, these Chinese submarines - many armed with state-of-the-art torpedoes and anti-ship missiles - would sharply increase the threat to enemy warships approaching the strategically important waterways of North Asia, according to security experts.
- (2) On a visit to China in January 2008, the senior U.S. military commander in Asia, Admiral (ADM) Timothy Keating, said the Pentagon was continuing to monitor the development of China's area-denial weapons, including submarines. ADM Keating said Chinese submarines have very impressive capabilities, and their numbers are increasing. If China were more transparent about the need for these weapons, it would improve trust and reduce the danger of crisis or conflict, Keating said.
- (3) According to most foreign security experts, including senior Pentagon analysts, China plans to use its submarines and other area-denial weapons to delay or deter a U.S. intervention in case of conflict over Taiwan. Stealthy submarines would pose a direct threat to the deployment of U.S. aircraft carrier battle groups, almost certainly the first line of any American response to a Taiwan crisis.
- (4) Submarine construction is clearly a top priority for the Chinese Navy, and foreign analysts have noted that in recent years it has concurrently developed four - possibly five - classes of new, locally designed and built submarines. Some experts have suggested that China is taking the same path as Germany and Japan, which once relied heavily on submarines in a bid to compete with the British and U.S. navies.
- (5) In further evidence of progress in submarine technology, China displayed photographs and

models of its new *Shang*-class nuclear-powered attack submarine at a Beijing exhibition in July 2007 celebrating the 80th anniversary of the People's Liberation Army. The official People's Daily newspaper reported that two submarines of this class are now in service. (See 1.2 Military in OPRF MARINT Monthly Report, September 2007 for reference.) Also in October 2007, a nuclear weapons researcher with the Federation of American Scientists, spotted on a Google Earth satellite image what appeared to be two of China's *Jin*-class nuclear powered ballistic missile submarines. Some military analysts were surprised that China had built another submarine of this class so soon after the first, in 2004. (See 1.2 Military in OPRF MARINT Monthly Report, October 2007 for reference.)

- (6) And to put the improvement of its fleet on a fast track, China has also taken delivery of 12 advanced *Kilo*-class conventional submarines from Russia. These submarines are among the quietest and most difficult to detect. Experts say the designs of the newest Chinese submarines show evidence of technical assistance from Russia, and some of China's conventional submarines have been fitted with so-called air-independent propulsion systems.
- (7) A number of naval experts have noticed that the growth in China's submarine power has occurred while U.S. antisubmarine warfare (ASW) capability has declined from its peak during the Cold War. What is more, in case of conflict over Taiwan, Chinese submarines would have the advantage of operating in a favorable environment for undersea warfare. The waters of the East China Sea, South China Sea and Yellow Sea are of uneven depth, with considerable background noise, complex thermal behavior and strong currents. These factors make it very difficult, if not impossible, for surface ships and aircraft to detect stealthy submarines, even with the most advanced passive sonar and other sensors.

February 9 “Russian bomber violated Japanese airspace” (AP, February 9, 2008)

On the morning of February 9, a Russian air force bomber Tu-95 violated Japanese airspace for about three minutes over Sofgan, which lies on the southernmost tip of the Izu island group. According to Japan's Defense Ministry, 22 fighter jets, including F-15s, and two airborne warning and control aircraft (AWACs) were scrambled. The Japan's Foreign Ministry lodged a protest with the Russian Embassy in Tokyo and demanded an explanation.

On February 9, Russia's *ITAR-Tass* news agency quoted the head of the Russian Air Force information service, Alexander Drobyshevsky, as denying the intrusion and saying, “The flyby was part of a mission over neutral waters, without violating the Japanese airspace.”

【Related Story 1】

“Russian bombers flew over the U.S. aircraft carrier” (CNN, February 11, 2008)

Two Russian bombers flew close to an American aircraft carrier, USS *Nimitz*, sailing toward Japan in the western Pacific on November 9, a U.S. military official said on February 11. According to U.S. military official, one Russian Tupolev-95 buzzed the aircraft carrier USS *Nimitz* at an altitude of about 2,000 feet, while another bomber circled about 50 nautical miles out. Four F/A-18 fighters were launched from the USS *Nimitz*. There were no verbal communications

between the U.S. and the Russians. This is the first time Russian Tupolevs have flown over a U.S. carrier since 2004. A Russian bomber last flew over a U.S. aircraft carrier in July 2004, when a Russian Bear bomber flew over the USS *Kitty Hawk* in the Sea of Japan. A Japanese defense official told the *Associated Press* that, among four Russian Tupolev-95s launched from the Ukrainka Air Base in Siberia in the middle of the night on the 9th, one violated their country's airspace over an island at the southern end of the Izu Island Chain.

【Related Story 2】

“U.S. Forces Assessing Russian Intentions” (The Washington Times, February 12, 2008)

Regarding the activities of the Russian bombers, U.S. military officials are assessing whether or not Moscow is returning to its Cold War tactics. Gen. James Cartwright, who testified before the Senate Budget Committee on the 12th, said the U.S. military is trying to gauge how it will respond to the incident and what the Russians intended to accomplish. “What we're concerned about is whether or not these indications are return to a Cold War mind-set, and how we should best respond to that,” Gen. Cartwright said.

According to a U.S. official, since July, 2007 there have been at least eight instances where Russian aircraft have been intercepted near U.S. airspace. U.S. aircraft deployed from Elmendorf Air Force Base off the coast of Alaska handled the eight documented interceptions. The latest incident was on September 5, when six U.S. F-15 fighters from the base intercepted six Russian bombers on the northwest coast of Alaska. It seems that they are testing U.S. strategic response as they have done in the past, the source said.

Admiral Gary Roughead, chief of naval operations, played down the incident, telling on the 12th that he “did not consider it to be provocative.” “So I think what we are seeing is a Russian military or Russian navy that is emerging, particularly in the case of the navy desiring to emerge as a global navy,” the admiral said. On the other hand, Representative Duncan Hunter of California, ranking Republican on the House Armed Services Committee, said the Navy responded appropriately by scrambling fighters to intercept the aircraft and escort them away from the carrier. Mr. Hunter added that “the Russian flyovers represent a pushback from the Russians to U.S. missile-defense cooperation with Poland and the Czech Republic.” (As for the resumption of the flights by Russian bombers, see 1. 2 Military in OPRF MARINT Report, August 2007.)

【Related Story 3】

“U.S. aircraft carrier USS *Nimitz* enters Sasebo port” (USS *Nimitz* Public Affairs, February 11, 2008)

On February 11, U.S. aircraft carrier, USS *Nimitz* (CVN 68), arrived in Sasebo, Japan. The deployment of USS *Nimitz* is to backfill USS *Kitty Hawk* (CV 63) while it undergoes maintenance, exemplifying U.S. commitment to peace and stability in the Pacific Region.

February 12 “Russia’s fourth generation nuclear ballistic missile sub put on the water” (Barents Observer.com, February 13, 2008)

The first vessel of Russia’s fourth generation of nuclear submarines, the *Yuri Dolgorukii*, was put on the water at the Sevmash shipyard in Severodvinsk on February 12. The vessel is the first in the of the Project 955 *Borey*-class, the most hi-tech of all Russian subs. The launch of the new submarine marks the opening of a new chapter in Russian submarine history. The new submarine is part of a plan approved by President Vladimir Putin to upgrade the core of the country’s undersea nuclear attack forces. The vessel will be equipped with “Bulava” missile system, and it will carry 107 sailors and can descend to a depth of 450 meters. Currently, another two *Borey*-class subs are under construction at Sevmash, they are named the *Vladimir Monomakh* and the *Aleksandr Nevskii*.

February 14 “India hosts Indian Ocean Naval Symposium” (AFP, February 14, 2008)

The India Navy hosted the “Indian Ocean Naval Symposium (IONS)” on 14-15 February. On the 14th, Indian Prime Minister Manmohan Singh mentioned that regional cooperation would help navies combat piracy and terrorism, and said as follows: (a) Recent years have seen a rise in crimes such as terrorism, smuggling, including of narcotics, arms and weapons, and piracy and robbery; (b) The perpetrators of these crimes are well-organized and well-funded transnational crime syndicates who take full advantage of the vastness of the oceans; (c) The need for cooperation among the navies of the region in preventing such crimes is therefore of paramount interest. India remains committed to an Indian Ocean region that is stable and peaceful; and (d) We would like to cooperate with all like-minded countries to ensure the freedom of the seas for all nations and to deepen trade and economic linkages between the Indian Ocean Rim countries.

The navy representatives of twenty-six countries including Egypt and France, in addition to the Indian Ocean coastal nations, attended the Indian Ocean Naval Symposium (IONS).

February 19 “India, Russia face deadlock over negotiation for aircraft carrier delivery” (rediff News, February 19, 2008)

Having signed a 1.5 billion U.S dollar (USD) contract to purchase the aircraft carrier *Admiral Gorshkov* from Russia in 2004, India was to be delivered it by August 2008. However, in November 2007 Russia demanded India to pay 1.2 billion USD more for refitting and other works. It would take three to four years for the carrier to be delivered if a nod is given for the new refits. At present, an Indian defense delegation is negotiating in Moscow to inspect the Russian demand for refitting. Amid India’s willingness to pay more for the *Admiral Gorshkov*, the modification of the contract would require fresh approval of the Cabinet.

According to the report in the Russian newspaper *Kommersant* dated February 19, a source within the Russian military-industrial complex told the aircraft carrier would probably be purchased by the Russian Navy if no agreement was reached between India and Russia.

【Related Story 1】**“Russia, India agree over costs for repairs of aircraft carrier” (Channel NewsAsia, February 28, 2008)**

Indian Defense Secretary V.K. Singh, after returning from Moscow on the 28th, said that India and Russia agreed to an additional payment for refurbishing the *Admiral Gorshkov* aircraft carrier. Defense sources said India agreed to pay up to 900 million US dollars. India is sending more than 100 trained personnel from its shipyard to the Russian shipyard to speed up the repairing works. Secretary Singh said the *Admiral Gorshkov* will be rechristened INS *Vikramaditya* and join the Indian Navy as early as 2011.

【Related Story 2】**“U.S. Navy denies delivery of aircraft carrier to India” (Business Week, February 26, 2008)**

Regarding speculation over the U.S. giving the USS *Kitty Hawk* to India, U.S. Navy spokesman denied it, saying the United States has no intention. The timing of the rumors was intended to coincide with rough-going talks in Moscow between India and Russia over the *Admiral Gorshkov* aircraft carrier.

February 20 “U.S. Nuclear Submarine Arrives in Busan” (The Korea Times, February 20, 2008)

A U.S. nuclear-powered submarine USS *Ohio* arrived in the port city of Busan in South Korea on February 20. The USS *Ohio* is the former *Trident*-class vessel which underwent a conversion to become a nuclear-powered, guided-missile, or SSGN-class submarine, enabling the ship to carry 154 conventional cruise missiles and Special Operation Units among others. The SSGN will take part in the Key Resolve/Foal Eagle Exercise 2008, an annual joint drill of South Korean and U.S. forces that will be held on 1-7 March.

[Related Story]**“U.S. aircraft carrier USS *Nimitz* arrives in Busan” (Korea.net, February 28, 2008)**

On February 28, a U.S. aircraft carrier, USS *Nimitz*, arrived in Busan to join a joint-exercise with South Korean armed forces, the Key Resolve/Foal Eagle Exercise 2008, to be held for a week between 1 and 7 March. Two U.S. Aegis destroyers, the USS *John S. McCain* (8,300-ton) and USS *Chaffee* (9,200-ton), also arrived at Donghae on February 28.

February 21 “U.S. Navy AEGIS warship succeeded in destroying the satellite” (U.S. Department of Defense, News Release, February 20, 2008)

On February 20, a U.S. Navy AEGIS warship, the USS *Lake Erie* (CG-70), fired a single Standard Missile-3 (SM-3) hitting a non-functioning National Reconnaissance Office satellite approximately 247 kilometers over the Pacific Ocean off Hawaii as it traveled in space at more than 17,000 miles per hour. USS *Decatur* (DDG-73) and USS *Russell* (DDG-59) were also part of

the task force deployed in the area.

General James E. Cartwright, vice Chairman of Joint Chiefs of Staff, stressed the effort was not a test of the nation's missile defense system or a show of force to put other countries on notice that the United States can take down a satellite. "This was uncharted territory," he said. "We see this as a one-time event." Defense Secretary Robert M. Gates said they would be ready to share some information on the shoot-down with the Chinese and others. (The Washington Post February 22, 2008)

February 21 "U.S. Northrop Grumman delivered the newest nuke submarine to the Navy" (Prime News Wire, February 22, 2008)

On February 21, U.S. Northrop Grumman Corporation delivered its fourth *Virginia*-class submarine, USS *North Carolina* (SSN 777), to the U.S. Navy after successfully completing the third and fourth stage trials. (SSN 777 is expected to be commissioned at Wilmington, North Carolina in May 2008.) The U.S. Navy plans to construct a total of 30 *Virginia*-class submarines to replace the country's *Los Angeles*-class attack subs, 13 of which have already been decommissioned.

February 26 "India successfully tests submarine-based missile" (Reuters, February 26, 2008)

On February 26, India successfully tested a submarine-launched missile of K-15, which was fired from a submerged pontoon in the Bay of Bengal, off Vishakhapatnam in the India's eastern coast. The K-15 is a two-stage missile with a top range of 700 kilometers and is capable of carrying a nuclear warhead. India, already capable of launching missiles from land and air, now moves a step closer to firing them from under the sea, an important step in creating nuclear deterrence to match countries like the United States, Russia, France and China. Defense officials say the K-15 will be eventually deployed with a domestically built nuclear submarine capable of launching ballistic missiles, after further tests. In addition to K-15, India is developing a longer-range, submarine-launched Brahmos supersonic cruise missile jointly developed with Russia. A land-based version of the Brahmos has already been inducted into the Indian Army.

February 26 "U.S., China concludes annual maritime military safety meeting" (Xinhua, February 26, 2008)

An annual maritime military safety meeting between U.S. and China was held in Qingdao on 25-26 February. The two sides exchanged views frankly and in depth on relevant issues concerning China-U.S. maritime military safety, and discussed on holding a joint maritime exercise between the two navies within the year 2008. The meeting began with the two delegations headed by Zhang Leiyu, deputy chief of staff of the Navy of the Chinese People's Liberation Army (PLA), and Thomas Conant, director for Strategic Planning and Policy of the U.S. Pacific Command. The U.S. delegation also met with Zhang Panhong, deputy commander of the PLA North Sea Fleet, and visited the fleets of the Chinese Navy.

The China-U.S. consultation mechanism on strengthening maritime military safety was set up in 1997, and it has held seven annual meetings, 12 working groups meetings and one special meeting since its inauguration. The mechanism has played an important role in enhancing mutual understanding and trust, promoting China-U.S. maritime military safety, and deepening exchanges and cooperation between the two navies.

February 28 “U.S. latest amphibious ship built of World Trade Center steel” (The Virginian-Pilot, February 28, 2008)

The U.S. newspaper, *The Virginian-Pilot*, dated February 28 reports that for the construction of the fifth unit of the latest *San Antonio*-class amphibious transport dock ship, the USS *New York* (LPD 21), which is to be christened on March 1, the steel of the towers of the World Trade Center in New York which collapsed by the terrorist attack on September 11, 2001 was used. The gist of the report is as follows. That 7.5-ton steel was melted and given new life in fashioning the ship's bow. “Use of this steel symbolizes the spirit and resiliency of the people of New York,” the Navy said. Regarding the state names for the ships, they are now typically used in the naming of submarines. However, N.Y. Gov. George E. Pataki asked that a Navy surface ship involved in the War on Terror be named in honor of the victims, and approval for the name came in August 2002. As every naval ship has its own motto, its motto is “Never Forget.”

LPD 21 displaces about 24,900 tons, and is able to carry a landing force of up to 800 Marines. It will be able to simultaneously launch and recover four CH-46 Sea Knight helicopters or two MV-22 Osprey tilt rotor aircraft. The USS *New York* is to be commissioned in 2009. Belonging to the Atlantic Fleet, she will be home-ported in Norfolk, Virginia. Four more ships of the *San Antonio*-Class are under construction.

February 29 “U.S. and China sign accord on defense hotline” (Reuters, February 29, 2008)

On February 29, the U.S. and China signed an agreement in Shanghai for a direct telephone link (DTL) between the two countries to facilitate rapid communications in times of crisis. The DTL was agreed to during last September's Asia-Pacific Economic Cooperation forum (APEC) summit and was further discussed when U.S. Defense Secretary Robert Gates visited China in November 2007. The Department of Defense said in a statement that the agreement would allow them to move forward on installing the actual equipment in the next few weeks.

1.3 Diplomacy and International Relations

February 2 “Taiwan’s President Chen Shui-bian visits Taiping Island in Spratly” (China News Agency, February 2, 2008 and other sources)

On February 2, Taiwan’s President Chen Shui-bian visited Taiping Island in the Spratly

island group in the South China Sea. Chen flew in a military aircraft to Taiping Island to officiate at the airstrip inauguration ceremony. The runway is transformed from a central road on the island, which was extended and expanded into a 1,150-meter-long, 30-meter-wide cement path that will be used as an airstrip during emergencies so that transport planes can land and take off. Chen expressed his admiration for close cooperation among various military units and the Coast Guard Administration (Taiwan's Coast Guard) in carrying out the tough construction project in just 273 days. A total of 581 service personnel were involved in the runway construction project. Taiping is the largest islet of the Spratly island group under Taiwan's practical control, and is located in the South China Sea, some 1,600 kilometers (km) southwest of Taiwan. Only C-130 transport planes can make landings and take-offs on the island. It takes three to four days for a one-way voyage between the island and Kaohsiung.

Chen was accompanied by Minister of National Defense Lee Tien-yu, Minister of the Interior Lee Yi-yang and Coast Guard Administration Minister Wang Jinn-wang. According to the Ministry of Defense sources, the navy, in order to provide sufficient protection for Chen, had sent two fleets with *Kidd*-class destroyers as flagships into the South China Sea, with almost half of the navy's main warships dispatched to the area. Two submarines also joined the mission. The farthest point the air force's fighter aircraft can protect is the area around the Pratas Islands, which is about 1200km away north from Taiping Island. Therefore, the navy formed two fleets of warships with the *Kidd*-class destroyer as a flag ship using the radar with a range of more than 400km and surface to air missiles with a range of 150km to patrol the areas. Combined with intelligence provided by allied countries, they formed an air corridor for the president's travel. (Taipei Times, February 3, 2008)

Chen's visit is regarded to be made with a major aim of claiming Taiwan's sovereignty over the island chain. Proposing a "Spratly Initiative" during his speech at the inauguration ceremony of the airstrip, Chen urged the nations concerned to settle the complicated and difficult territorial disputes in the South China Sea peacefully, stressing the importance of establishing a joint collaboration with all nations and the necessity of protecting the environment. (Taiwan News, February 3, 2008)

Taiping Island

Source (left): China Brief, Volume 8, Issue 3 (January 31, 2008)
<http://www.jamestown.org/terrorism/news/uploads/1877spratly.jpg>

Source (right): China Brief, Volume 8, Issue 4 (February 14, 2008)
<http://www.jamestown.org/terrorism/news/uploads/1964TaipingSPR.jpg>

【Reactions from the nations concerned】

Philippine

Calling Chen's visit "lamentable" in a statement issued on February 2, Philippine Foreign Secretary Alberto Romulo said the Philippines expresses serious concern over this reported development that works against the joint efforts by claimant countries in the South China Sea to achieve peace and stability in the region.

Vietnam

On February 3, Vietnam also criticized Chen's visit to the Spratlys in a statement of the Foreign Ministry as follows: (a) Taiwan has to take full responsibility for any consequence caused by this action; and (b) Vietnam considers the action a new violation of Vietnam's territorial sovereignty in regard to the Truong Sa [Spratly] archipelago, which increases tension in the region. (Taiwan News, February 4, 2008)

China

At the briefing on February 5, a Chinese Foreign Ministry spokesman said, "China has indisputable sovereignty over the Nansha Islands and adjacent waters. Taiwan is an inseparable part of the Chinese territory. China is willing to solve the South China Sea disputes through friendly consultation with relevant countries and work with them to safeguard peace and stability there." He repeated the same position in the past, without elaborating directly on Chen's visit to the Taiping Island. (MFA, PRC, HP, February 5, 2008)

【Related Story】

“Taiwan President Shui-bian visited Donsha Island” (The China Post, February 11, 2008)

On February 10, Taiwan President Chen Shui-bian arrived at the Taiwan-held Dongsha Island in the South China Sea, marking his third visit to this atoll since he assumed presidency in

2000. Chen was accompanied by Minister of National Defense Lee Tien-yu, Chief of the General Staff Hou Shou-yeh and Minister of the Coast Guard Administration Wang Ginn-wang among others. Here, Chen again reiterated his “Spratly Initiative,” which he first made public on the 2nd of this month at Taiping in a call for regional cooperation and conservation of the marine environment. Located about 400 kilometers south of Taiwan, the Dongsha Island with its surrounding waters was designated the “Dongsha Atoll Marine National Park”- the seventh national park of Taiwan on 17 January 2007. Issued with fresh water, the atoll has a 1,500-meter long runway.

Dongsha

Source: Dongsha Marine National Park HP
http://dongsha.cpami.gov.tw/en/e_main.aspx

【Related Article】

A U.S. think-tank, The Jamestown Foundation, has reported an article of Dr. Cheng-yi Lin, the former chairman of the Institute for Taiwan Defense and Strategic Studies, titled “Taiwan’s Spratly Initiative In South China Sea” in the biweekly magazine (the Internet edition), China Brief, February 14, 2008, Vol. VIII, Issue 4.

In this article, Cheng (hereafter author) underscores the four points on the Spratly Initiative of Taiwan’s President Chen Shui-bian as follows: (a) President Chen committed that Taiwan is willing to accept in principle the Declaration on the Conduct of Parties in the South China Sea*, and he advocated peaceful means of resolving territorial and jurisdictional disputes. (b) Chen suggested that the countries concerned agree to recognize the region as an ecological protection area where the depletion of resources would be forbidden. (c) Chen proposed a plan to have international ecologists and environmentalists conduct research around the area of the Tungsha, Taiping Island, and Zhongzhou Reef (Ban Than Reef), which is located between the Taiping Island and Vietnamese-occupied Dungian Shazhou (Sand Cay) on a regular basis. (d) Chen encouraged the establishment of a non-governmental South China Sea research center to serve as a second-track diplomatic channel to alleviate tension in the South China Sea.

Regarding the Chen’s Spratly Initiative, the author says it may turn out to be too difficult to be implemented since Taiwan has no official diplomatic ties with any of the other claimants. The PRC, however, may find it of interest to coordinate with Taiwan over joint cooperative projects in the South China Sea, but it will be on a second-track basis rather than any efforts to bring Taiwan

into the fold of a multilateral cooperative program.

According to the author, in February 2000, the jurisdiction of these islands shifted from the Ministry of National Defense to the Coast Guard Administration. Taiwan still maintains and operates its air defense and heavy machine guns on these islands, and there are only 10 stationed military troops on its occupied island—in addition to 190 coast guard personnel. The author sees Taiwan is less concerned about the possibility of China or other ASEAN claimants employing force against the Taiping Island. On the other hand, he points out Taipei knows that it is difficult to effectively defend the Taiping Island and an airstrip would demonstrate its efforts to close the security gap. With the construction of the airstrip on the Taiping Island, Taipei might reconsider its insufficient attention paid to the South China Sea.

Note *: In the “Taiwan’s Spratly Initiative In South China Sea” is written a political declaration designating general principles for the solution of the problems in the South china Sea. In the declaration is described clearly that efforts should be made of designating the concrete actions and settling on a “model of actions in the South China Sea” which has a legal binding.

The full text of the article is available in the URL below:

http://www.jamestown.org/china_brief/article.php?articleid=2373974

February 24 “U.S. must bolter ties with Taiwan – U.S. think-tank reports” (Taipei Times, February 24, 2008)

On February 22, a U.S. conservative think tank and an international consulting company in Washington, Armitage International and the American Enterprise Institute (AEI), released a 24-page report (hereafter a joint study) titled “Strengthening Freedom in Asia: A Twenty-First-Century Agenda for the U.S.-Taiwan Partnership.” The Taiwan newspaper Taipei Times dated 24th reports on the key-points of the joint study as follows.

- (1) The content of the joint study is based on recognition that the relationship between the U.S. and Taiwan has deteriorated dangerously in recent years and both sides must take a wide range of steps to ensure Taiwan's security and break the negative cycle.
- (2) The joint study cites with concern that the Bush administration's preoccupation with Iraq, Iran and North Korea has increased U.S. reliance on China's cooperation in international issues. It has given Beijing an opening to drive a wedge between the U.S. and Taiwan and has prompted the U.S. to lean on Taipei not to do anything that Beijing views as provocative.
- (3) In the joint study, the authors call on the U.S. to relax the restrictions on high-level bilateral visits and communications in the political and military spheres and allow both countries' presidents to speak directly to each other. They also call for more U.S. arms sales to Taiwan and greater interoperability between the U.S. and Taiwanese militaries to help combat a Chinese military action against Taiwan.

The joint study is available from the URL below.

http://www.aei.org/publications/pubID.27559/pub_detail.asp

1.4 Shipping, Resources, Environment, and Miscellaneous

February 4 “Bangladesh ship building industry to emerge as exporter” (Financial Express, February 5, 2008)

Bangladesh newspaper, the *Financial Express*, dated February 5 reports that the ship building industry in Bangladesh is set to emerge as new export leader. The gist of the report is as follows.

- (1) Two ship builders, Meghnaghat-based Ananda Shipyards and Chittagong-based Western Marine, said on February 4 that they have already grabbed order worth over 250 million US dollars (USD) in 2007. (Of 250 million USD, Meghnaghat-based Ananda Shipyards signed agreements worth around 180 million USD while Chittagong-based Western Marine put its total orders to more than 70 million USD.) “It's a huge leap forward for us. If the trend continues, ship building in Bangladesh will be the second largest exporter after garments in 2015,” chairman of Ananda Shipbuilders Abdullahel Bari said. “If we can grab one percent of the global order for small ships, the amount will be worth 4.0 billion USD. The global market for small ships is now about 400 billion USD,” said Shakhawat Hossain, managing director of Western Marine. Experts said the country has become a new destination for companies seeking construction of small ocean-going vessels as traditional shipbuilding nations such as South Korea and China now focus on building large ships. Even Vietnam, which is relatively new in ship building, is no longer interested to build small ships weighing up to 25,000 dead weight tons (DWT). Also India and Indonesia are said to be reluctant to become the new destinations for small shipbuilding.
- (2) The focus on Bangladesh came in April 2007 when Ananda Shipyards signed deals worth around 100 million USD with two German shipping companies to build eight vessels with capacity for 325 containers by June 2010. The company then went on to sign two more deals worth 82 million USD in October and December 2007. Bari said his company would sign deal with another German company to build four ships, each worth 17.5 million USD. On the other hand, Western Marine signed in 2007 deal worth over 80 million USD including the construction of five multipurpose cargo vessels for a Danish owner, each weighing 4,100 WDT. The company has also signed a letter of intent with two foreign companies to construct 14 small vessels at a cost of around 150 million USD.
- (3) According to the industry estimates, more than 100,000 Bangladeshis are now employed in Singapore, South Korea and Dubai shipyards. Some of them are now well-placed in mid-management. Bangladesh has also been known for its small shipbuilding industry, which builds dozens of vessels every year. Experts said it was only a matter of time before Bangladesh emerges as a major hub for building small ocean-going ships. C.F. Zaman, Bangladesh head of the Germanischer Lloyd (GL), said, “The country has always had enough skilled and cheap workforce. Now it has the know-how and facilities. I can easily foresee local shipbuilding emerging as a billion-dollar industry in four to five years' time. It can easily be a global leader

in the small-ship making industry.” The GL prompted Ananda and Western Marine to look for international order, offering them technological help to construct ocean-going vessels. At GL's insistence, three more shipyards have started upgrading their infrastructure to build seafaring ships. “It took us 25 years to earn 10 billion USD a year in the garments sector. The shipbuilders can do it in less than 10 years,” Bari said.

February 11 “China speeds up building railroads connecting with three ASEAN countries” (People’s Daily, February 11, 2008)

The vice governor of Yunnan province, China, Qin Guangrong, has said that construction has stepped up on four railways linking the south-western province to Vietnam, Burma, and Thailand. The four outbound railways are significant to the transport and economic development of Yunnan province and the three ASEAN countries. The rails linking Kunming, Yuxi and Ho Chi Minh City in Vietnam have been under smooth construction, and are scheduled for completion in 2009. Construction for the railway from Mengzi in Yunnan to the Sino-Vietnam border is to start within 2008. The preparatory work of the China-Myanmar railway expansion project has been in full swing. Also the preliminary work of building Kunming-Bangkok railway has been launched, which will sharply improve the transport efficiency between the two countries.

February 11 “For Sri Lanka, Colombo’s ‘Mega Shipping Hub Status’ long way off” (Indo-Asian News Service, February 11, 2008)

An Indian press, the *Indo-Asian News Service* (IANS), reports in its article dated February 11, that Colombo Port has been a major trans-shipment hub in the Indian Ocean region for a long time. But the 'mega shipping hub' status that Sri Lanka is seeking is still a long way off. The gist of the reports is as follows.

- (1) Former ports minister Dilan Perera said Sri Lanka had the advantage of location to be a mega hub of the South Asian region. All the major shipping routes are in the south of Sri Lanka, and Colombo and the proposed port in Hambantota are ideally located to take advantage of this traffic. According to Perera, India is also building and modernizing ports in its southern tip. But these cannot match the advantage the ports in Sri Lanka have in terms of location.
- (2) However, Sri Lankan shipping experts regards that the talk of getting a mega status for Colombo port based only on location was wishful thinking because Sri Lankan port lacks an appropriate infrastructure and economic hinterland to back it up. Sri Lanka Ports Authority (SLPA) chairman Saliya Wickramasuriya pointed out in a speech in January 2008 that Sri Lanka was ranked 92 out of 150 countries in the World Bank's Logistics Performance Index (LPI) for 2007. Sri Lanka was behind even India, which stood at 39. Malaysia was 27th and Indonesia was ranked 43. Sri Lanka had notched up a low score of 2.40 out of five, which was below India with 3.07, Malaysia with 3.48, Indonesia with 3.01 and Pakistan with 2.62 (ranked 68th). *If Sri Lankan ports were to improve - at present Sri Lanka has only one really international port at Colombo - logistics and supply chain managements would have to

improve, Wickramasuriya said.

- (3) Perera said that India was forging ahead in public-private partnership in ports development and Sri Lanka should emulate it. He urged that the “South Asia Gateway Terminal (SAGT)” in Colombo Port was a good example of public-private partnership and this should be extended to the Hambantota port in the deep south of the island also. The Hambantota port, which is being built with Chinese help, is expected to complete the basic works in three years. With new facilities, including four new vessel berths and more efficient handling systems added in the Colombo north port, the port is now ranked 29th in the world. (As for the rivalry over terminal ports between India and Sri Lanka, refer to 1.4 Shipping, Resource, Environment, and Miscellaneous in OPRF MARINT Monthly Report, July 2007.)

Remarks*: For World Bank’s LPI, see following URL. In passing I might mention that Singapore was ranked the first, making a score of 4.19, and Japan was ranked the sixth with a score of 4.02.

<http://info.worldbank.org/etools/tradesurvey/mode1b.asp#ranking>

February 13 “The scale of CO² emissions from shipping tripled previous estimate” (The Guardian, February 13, 2008)

The true scale of CO² climate change emissions from shipping is almost three times higher than previously believed, according to a leaked UN study seen by the British newspaper, *The Guardian*, dated 13 February. The gist of the report is as follows.

- (1) It calculates that annual emissions from the world's merchant fleet have already reached 1.12 billion tons of CO², or nearly 4.5 percent of all global emissions of the main greenhouse gas. The report suggests that shipping emissions will become one of the largest single sources of manmade CO² after cars, housing, agriculture and industry. By comparison, the aviation industry, which has been under heavy pressure to clean up, is responsible for about 650 million tons of CO² emissions a year, just over half that from shipping.
- (2) Until now, the UN's Intergovernmental Panel on Climate Change (IPCC) has estimated shipping emissions to be a maximum 400 million tons, but the new draft report by a group of international scientists is a more sophisticated measure, using data collected from the oil and shipping industries for the International Maritime Organization (IMO), the UN agency tasked with monitoring pollution from ships. It not only shows emissions are much worse than feared, but warns CO² emissions are set to rise by a further 30 percent by 2020.
- (3) Governments and the EU have consistently played down the climate impact of shipping, saying it is less than 2 percent of global emissions and failing to include shipping emissions in their national estimates for CO² emissions. Pressure is now expected to increase on ship owners to switch to better fuels and on the EU to include shipping in its emission trading scheme. Aviation was provisionally included.

The map below shows the major shipping routes (indicated as lines) and polluted area overlaid with particulate matter.

Shipping pollution

Particulate matter (PM) pollution overlaid

Source: The Guardian, February 12, 2008

<http://image.guardian.co.uk/sys-files/Guardian/documents/2008/02/12/Shippingpollution.pdf>

February 14 “World's largest marine protected area came up in mid-Pacific” (Asia Bulletin, February 14, 2008)

The world's largest marine protected area has just come up in the mid-Pacific island nation of Kiribati. The Phoenix Islands Protected Area (PIPA) covers the Phoenix Islands, one of three islands groups (Gilbert Islands, Phoenix Islands and Line Islands) which constitute the Republic of Kiribati, and their surrounding waters. Consisting of eight coral atolls and two submerged reef systems, 410,500-square kilometer protected area also includes underwater mountains and other deep-sea habitat.

February 21 “China suffers from serious coastal area pollution” (CRIENGLISH.com, February 22, 2008)

On February 22, China's State Oceanic Administration has issued a report outlining China's oceanic development strategy. The report says the country's offshore sea area is suffering from serious pollution, which now exceeds 160,000 square kilometers, almost doubling in size over the past decade. High levels of chemical nutrients have led to deterioration in water quality in the sea water of some bays and sea areas near cities. Red tides now occur at an average of 60 times each year and pose a grave threat to the marine environment. Desertification remains a great threat to the country's maritime environment although extensive rehabilitation efforts have been taken. The report notes that the percentage (%) of unsalvageable eco-systems stands at 73% for mangroves, 80% for coral reefs and 57% for wetlands. Oil spills caused by shipping and drilling have also contributed to the deterioration. Also, inorganic nitrogen was the main pollutant found in most of the country's offshore sea areas, especially in Shanghai and Zhejiang Province, where

the quality of sea water has been below the lowest fourth level for years.

February 22 “China launches 2nd West-to-East gas pipeline” (China Daily, February 22, 2008)

On February 22, Petrochina, the China's largest oil and gas producer, began construction on a second west-to-east natural gas pipeline, which will carry gas from Turkmenistan and China's Xinjiang Uyghur Autonomous Region to the Yangtze and Pearl River Deltas. The 9,102-kilometer pipeline, consisting of one main line and eight sub-lines, will feature an annual capacity of 30 billion cubic meters. It costs an estimated 20 billion US dollars, and is expected to be operational by 2010.

February 25 “South Korea, Uzbekistan agree on gas development” (The Chosun Ilbo, February 26, 2008)

On February 25, state-run Korea Gas Corp. led a South Korean energy consortium to sign a deal with Uzbekistan's state-owned Uzbekneftegaz for the joint development of the Surgil gas field in western Uzbekistan and the construction of a gas-chemical facility there. The deal was signed in Seoul in the presence of Uzbek President Islam Karimov and Korean Minister of Commerce, Industry and Energy Kim Young-joo. The venture is to be equally owned by the two sides. Regarding the Surgil field for which a contract of gas development was made this time, the top leaders of two nations agreed on its gas development project two years ago. The Surgil field is estimated to hold reserves of 96 million tons of liquefied natural gas (LNG), the equivalent of Korea's LNG consumption for nearly three years and seven months.

February 26 “Kazakhstan to up natural gas output” (RIA Novosti, February 26, 2008)

On February 26, in a report to the Kazakh Cabinet, Uzakbai Karabalin, the president of Kazakhstan's national oil and gas company KazMunaiGaz, announced the country plans a significant increase in natural gas production, from 29.6 billion cubic meters in 2007 to 114 billion cubic meters in 2020 - the increase of 280 percent. The increase would be secured by putting new gas fields on stream in the west of the republic, as well as utilizing the resources of the Kazakh and Turkmen sectors in the Caspian shelf.

2. Intelligence Assessment

Patterns and Trends of Piracy and Armed Robbery in Asia ~From ReCAAP Annual Research Report 2007~

The Information Sharing Center (ISC) in the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP)* which was established in September 2006, based upon the ReCAAP, issued to the public an Annual Research Report 2007 (hereafter report) on the incidents of piracy and armed robbery against the ships which were noted in the Asian areas during the period between 2003 and 2007 on 28 February 2008. Below is a summary of the patterns and trends of piracy and armed robbery against the ships during the period between 2003 and 2007 which are viewed from the report.

(Regarding the piracy and armed robbery incidents in 2007 in the annual report from the International Maritime Bureau (IMB), please refer to 2. Intelligence Assessment in the OPRF MARINT Monthly Report, January 2008. A major reason of difference in the number of the incidents observed between the ReCAAP report and the IBM report is that the former targets the sea-areas extending from the Arabian Sea to Northeast Asia along the southern rim of the Eurasian Continent while the latter targets the whole world. In addition, while the ReCAAP report makes use of various sources of information mainly from the maritime security organizations and the navies of member nations, the IMB report makes use of information available mainly from the non-government shipping.)

1. Definitions of Piracy and Armed Robbery

Regarding the definitions of Piracy and Armed Robbery, Piracy adopted by the ReCAAP/ISC is in accordance with the “Definition of Acts of Piracy” in Article 101 of the United Nations Convention on the Law of the Sea (UNCLOS). Armed Robbery is in accordance with the definition in the International Maritime Organization (IMO)’s Code of Practice for the Investigation of the Crimes of Piracy and Armed Robbery against Ships finalized at the IMO Assembly in November 2001.

2. Evaluation on Significance of the Incidents

The most distinctive characteristic of the ReCAAP report is making a division into categories by evaluating the significance of the incidents from the two viewpoints of a violent factor and economic factor.

In evaluation of the violent factors, the report uses as criteria; (a) types of weapons used

* The fourteen (14) Contracting Parties are People’s Republic of Bangladesh, Brunei Darussalam, the Kingdom of Cambodia, the People’s Republic of China, the Republic of India, Japan, the Republic of Korea, the Lao People’s Democratic Republic, the Union of Myanmar, the Republic of the Philippines, the Republic of Singapore, the Democratic Socialist Republic of Sri Lanka, the Kingdom of Thailand and the Socialist Republic of Vietnam. The Republic of Indonesia and Federation of Malaysia are non-members.

(violence is the most forceful when more highly efficient weapons than knives are used); (b) treatment of the crew (violence is the most intensive if the crew are killed or kidnapped); and (c) numbers of the pirates /robbers who engaged in an attack (in this case, the more the numbers are, the more the violence develops and the possibility of organized crime increases.)

In assessment of the economic factors the report uses a criterion of evaluating financial values of damaged vessels. In this case, the seriousness is the greatest when the ship was hijacked with the cargoes.

Based on the above criteria, the report divides the category as follows.

Category	Significance of Incident
CAT-1	Very Significant
CAT-2	Moderately Significant
CAT-3	Less Significant

3. Trends of Number of Incidents (including the attempted cases) over the past five years

The ReCAAP makes use of various sources of information in producing the report. The primary source of information for the ReCAAP's report is information available from the Focal Points of the member nations (the international maritime security organizations and the navies) through ISC's Information Network System (IFN). Where necessary, the ISC also makes use of open sources of information from mass media among others.

According to the report, number of the incidents for the past five years is showing a declining trend as a whole. One hundred incidents were reported in Asia in 2007, of which 77 were actual incidents and 23 were attempted ones. This is a remarkable decrease of 26 percent (%), compared with 135 cases (100 actual cases and 35 attempted cases) in 2006. During the past five years, the highest number of the incidents was noted in the year 2003 with a total of 210 incidents (153 actual incidents and 57 attempted cases).

Looking from the categories, most of the decrease in the total number of incidents in 2007 took place in Category 2 incidents. Compared with 2006, the number of Category 2 incidents reported in 2007 decreased by 63%, from 38 to 14 incidents.

Below is the trend of the incidents (actual cases only) by categories noted for the past five years.

Table 1- Trend of Actual Incidents by Categories (2003-2007 years)

	2003	2004	2005	2006	2007
CAT-1	14	19	7	3	5
CAT-2	39	51	34	38	14
CAT-3	100	75	76	59	57
Uncategorized					1
Total(including attempted cases)	153(210)	145(200)	117(148)	100(135)	77(100)

Source: made from a graph in the ReCAAP's Annual Research Report 2007, p. 19.

According to the report, in view of the location of the incidents for the past five years, a significant decrease is noted at the port of Chittagong and the sea areas around Makassar Strait. There were 12 actual incidents at the port of Chittagong in 2007, of which one was Category 2, and 11 were Category 3. In 2006, there were 30 incidents, of which nine were Category 2, and 21 were Category 3. The report evaluates that downward trend in the number of incidents can probably be attributed to efforts by the Bangladeshi authorities to enhance security.

On the other hand, the number of incidents in the sea areas around the Makassar Strait has dramatically been decreasing since 2006. Of six actual incidents in 2007, one was Category 1 and Category 2 respectively, and four was Category 3. Of seven incidents in 2006, two were Category 2, and five were Category 3. For the past two years, the number of the incidents has significantly been decreasing, compared with 20 incidents in 2004 (three was Category 2, and 17 was Category 3) and 24 cases in 2003 (two were Category 2, and 22 were Category 3).

4. Characteristics viewed from the status

According to the report, in view of the status of ships at the time of incidents, the proportion of total incidents (including the attempted cases) involving ships at anchor and at berth in Asia has increased over the past five years, from 47% in 2003 to 62% in 2007. However, most of the actual incidents were Category 3.

The report points out that, typically, Category 3 incidents involving ships at anchor and at berth seem to be opportunistic rather than planned in advance. In most cases, robbers attempted to board the vessel when the crew was busy with cargo operations at berth, or when the ship was waiting in an anchorage for a berth. The robbers typically attacked between 22:00 hrs and 06:00 hrs to take advantage of the cover of darkness, and approached the targeted ship in one or two small boats. The robbers mostly boarded using grapnels thrown onto the ship's rail (usually at the stern) or by climbing the anchor chain. For these reasons, ships are generally more susceptible to boarding when berthed or at anchor, compared to when under way. Also, robbers operate in small groups of one to six. They are less likely to resort to violence, and are often prepared to escape empty-handed when detected. Theft of ship stores and engine spares made up a higher proportion of actual incidents reported in 2005-2007, increasing from 34% on annual average during the period 2003-2004 to 47% on annual average during the period 2005-2007.

Table 2- Number of actual incidents involving ships while at anchor/berth by category (2003-2007)

	2003	2004	2005	2006	2007
CAT-1	2	1	2	1	
CAT-2	12	18	20	18	8
CAT-3	85	62	65	52	53
Uncategorized					1
Total	99	81	87	81	62

Source: made from a graph in the ReCAAP's Annual Research Report 2007, p. 20.

As for the number of actual incidents involving ships while at anchor and at berth by category for the past five years, looking at the number of incidents around the Straits of Malacca and Singapore, there were 20 incidents in 2007. Of these, one was a Category 1 incident, four were Category 2 incidents, 14 were Category 3 incidents, and one was an uncategorized case. In 2006, there were 13 incidents, of which seven were Category 2 incidents, and six were Category 3 cases. In 2005, there were 16 incidents, of which two were Category 1 incidents, 10 were Category 2 incidents and four were Category 3 incidents. In 2004, there were 35 incidents, of which nine were Category 1 incidents, 15 were Category 2 cases, and 11 were Category 3 cases. In 2003, there were 16 incidents, of which six were Category 1 incidents, four were Category 2 incidents, and six were Category 3 incidents. According to the location maps of the report, many incidents occurred off the coasts of Sumatra Island facing the Straits of Malacca, and coasts of Riau and Lingga archipelago in Indonesia facing the Singapore Straits.

On the other hand, incidents involving ships that were under way (steaming) were generally classified Category 1 or Category 2 incidents. Of 15 actual incidents in 2007, 11 were Category 1 or 2 incidents. In contrast to the cases involving ships at anchorage and at berth, incidents involving ships under way exhibited some degree of planning by the robbers or pirates, who appeared to be well-organized.

Table 3- Number of actual incidents involving ships while under way by category (2003-2007)

	2003	2004	2005	2006	2007
CAT-1	12	18	5	2	5
CAT-2	27	33	14	20	6
CAT-3	15	13	11	7	4
Total	54	64	30	29	15

Source: made from a graph in the ReCAAP's Annual Research Report 2007, p. 22.

According to the report, typically, these groups approached their targets from potential blind spots such as the stern, in speedboats. Slow moving ships such as bulk carriers and tugs towing barges, as well as ships with low freeboards, were thus more frequently targeted, although, in some instances, the robbers or pirates possessed the skill and boldness to attempt boarding larger and faster vessels. The report has the following observations regarding the characteristics of

incidents involving ships attacked while under way in 2007:

- (1) Ships targeted while steaming were generally smaller and slower moving vessels of less than 10,000 gross tons (GT). These ships included small fishing vessels, small tankers, and tug boats and barges. Most attempts to board these ships were successful, and were Category 1 incidents.
- (2) On some occasions, unsuccessful attempts were made to board slightly larger bulk carriers and container vessels, of 20,000-50,000 GT. These incidents took place in the more open waters of the Arabian Sea, the South China Sea, and the Makassar Strait, and were generally more sophisticated, with the robbers or pirates often approaching their targets from multiple directions in two or more speedboats. These attempts include those involving the bulk carrier *Atlantic Breeze* in the Arabian Sea on 13 April 2007, and the container ship *MV Al Mutanabbi* in the South China Sea on 27 November 2007.
- (3) The incidents that took place in the area around the Sulu Sea and the southern area of the South China Sea appear to have been perpetrated by highly motivated robbers or pirates. The robbers or pirates involved in these incidents were described as groups of masked men operating in larger groups, who did not hesitate to use their guns. The *Ai Maru* was boarded off Bintan on 14 March 2007 by a group of ten robbers, and a large group of more than 15 masked men attempted to board the *Surya Putra 5* in the Sulu Sea on 9 May 2007. During the attempted boarding of the fishing vessel *Huyu 908* on 26 July 2007 near the Anambas Islands, guns were fired to intimidate the crew, although the ship managed to prevent boarding by increasing her speed.

5. Types of ships targeted

According to the report, tankers were the type of ship most frequently involved in incidents in 2007. In contrast, bulk carriers were the most frequently targeted type of ships between 2003 and 2006. However, the type of ship targeted appears to depend more on the locations with a higher number of piracy and armed robbery incidents during the period under consideration, rather than the type of ship per se. For instance, the incidents involving bulk carriers between 2003 and 2006 occurred mostly within the stretch between Pulau Laut and Balikpapan in East Kalimantan, Indonesia, an area where most of the ports primarily handle dry bulk cargo. In 2007, more than half of the 40 incidents involving tankers occurred at the Indonesian anchorages around Belawan and Dumai in Sumatra, and Balongan in Java, which are mainly oil and chemical facilities.

Of a total of 100 incidents involving ships by type in 2007, 19 tankers appeared to be most commonly targeted. Following are, in order of higher numbers of incidents by type, 18 container ships, 15 bulk carriers, 13 general cargoes, 11 chemical tankers, eight product tankers, seven tug boats/barges, two fishing boat/trawler, tankers (others) and yachts respectively, and one vehicle carrier, ro-ro cargo ship and boat of unknown type respectively.

6. Status of damage

According to the report, hijackings and kidnappings have been relatively less frequent in 2006 and 2007, compared to 2003 - 2005. In 2007, there were a total of four incidents involving

hijacking and kidnapping. All four were Category 1 incidents. These were:

- (1) Hijacking of the tanker *Ai Maru* off Bintan on 14 March 2007
- (2) Hijacking of the tanker *MT Kraton* in the Lingga Archipelago on 22 September 2007
- (3) Hijacking of the tug boat *Makmur Abadi-1*, which was towing the barge *Makmur Abadi-5* in the Makassar Strait on 23 December 2007
- (4) Incident of kidnapping on board the tug boat *Brantas 25*, which was towing the barge *Singa Besar 3* in the Straits of Malacca on 13 August 2007

The report points out on the characteristics of these incidents as follows:

- (1) All three groups of hijackers were armed with guns. The hijackers of the *Ai Maru* were carrying shotguns and rifles, and the hijackers of the *MT Kraton* possessed grenades as well as guns.
- (2) Post-investigation reports revealed that the incidents involving the *MT Kraton* and the *Makmur Abadi-1*, which was towing the *Makmur Abadi-5*, were planned. In both cases, the hijackers had apparently targeted the cargoes of palm oil on board. The rise in the price of palm oil could have made ships carrying such cargo more lucrative targets for hijackers.
- (3) In the case of the *Brantas 25*, the ten pirates appeared less interested in stealing the cargo of steel billets. The pirates kidnapped the ship master and the chief engineer, and may not have known that the ship was carrying a valuable cargo, or may not have been able to discharge the cargo. Two weeks after the kidnapping, the master and chief engineer were released, reportedly after a ransom was paid. It is likely that the slow speed of the tug boat and the barge contributed towards making them targets.
- (4) In the cases of the *Ai Maru* and the *MT Kraton*, 10 to 14 hijackers were involved. In contrast, there were seven to ten hijackers involved in the case of the *Brantas 25*. Tug boats towing barges appear to be viewed as easier targets, as they require fewer hijackers to take control of the vessel.

The status of actual incidents involving human damage is shown in the chart below.

Table 4- Actual incidents involving human damage (2003-2007)

	2003	2004	2005	2006	2007
Killed/Missing	2	8	1	2	1
Crew Abandoned	5	1	2	0	1
Seriously Injured	10	8	4	4	1
Kidnapped/Hijacked	2	14	4	1	4
Assaulted/Hostage	30	27	16	24	8
Threatened	10	11	6	5	3
No Injury or Not Reported	94	76	84	64	59
Total Number of Actual Incidents	153	145	117	100	77

Source: made from a graph in the ReCAAP's Annual Research Report 2007, p. 23.

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