

OPRF MARINT Monthly Report

July 2011



CONTENTS

Retrospect: the First Half of 2011

- Maritime Security
- Military Developments
- Maritime Boundaries
- South China Sea-related Events
- Diplomacy and International Relations
- Shipping, Shipbuilding and Harbors
- Ocean Resources, Energy, Sea Environment and Others
- Intelligence Assessment

2. Intelligence Assessment

- 2.1 Piracy and Armed Robbery against Ships during the first half of 2011
~ Characteristics viewed in the IMB Report ~
- 2.2 Piracy and Armed Robbery Against Ships in Asia in 1st Half of 2011 ~ from ReCAAP Half Yearly Report ~

Intelligence Summary in July 2011

1. Information Digest

- 1.1 Maritime Security
- 1.2 Military Developments
- 1.3 South China Sea-related Events
- 1.4 Shipping, Shipbuilding and Harbors
- 1.5 Ocean Resources, Energy, Sea Environment and Others

This monthly report was summarized and produced by OPRF staff writers based on their analyses and assessments of open source information.

Each source of information is described as an internet link in a bracket, which is available as URL online as of the end of July 2011.

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Retrospect: the First Half of 2011

Maritime Security: In the first half of the year 2011, there were three incidents, including unusual hijackings and an armed rescue. Among them was an incident, in which a cargo ship operated by the Danish shipping company, MV *Leopard*, was hijacked on January 13, and the vessel was abandoned, but only the crew members were kidnapped. As the second incident, on the afternoon of the 22nd, a German owned, general cargo vessel, MV *Beluga Nomination*, was boarded by pirates 390 nautical miles north of the Seychelles. Although the 12 crew members went into the safety section called "citadel" to take shelter over two days, they were eventually subdued by the pirates. As the third incident, there is an armed rescue of the hijacked vessel. The Maltese flagged and South Korean owned product tanker, MT *Samho Jewelry* was seized by Somali pirates on the morning of January 15. But, chasing the product tanker, the South Korean commandos from the anti-piracy fleet stormed the boat to free the tanker. All 21 crew members of the *Samho Jewelry* were rescued, while eight of the pirates had been killed and five captured. At present, South Korea is prosecuting the pirate suspects for a crime and putting them on trial.

On the other hand, regarding the incidents in which Somali pirates released the vessels they had captured, a jump in ransom and unusual cases were noted. Although information on ransom is not always known, payment of the ransom seems to be making piracy a dangerous but lucrative business. According to Reuters dated March 10, a 27-year-old pirate dressed in a sharp, Italian-made suit, riding on Toyota

Land-cruiser, said he made \$2.4 million in 2010. He says the gangs have an agreed formula for splitting their loot -- hijackers receive 50 percent, investors get 35 percent, and guards on the ship get the remaining 15 percent. The ransom for Greek-flagged very large crude carrier (VLCC) owned by the Greek shipping company, MV *Irene SL* (319,000-dwt), which was released by Somali pirates as an unusual example over release, is said to be \$14 million, which was the highest one ever reported. As an unusual case over release, on April 15, Somali pirates freed the Panamanian-flagged general cargo ship MV *Asphalt Venture*. Of its 15 Indian crew, eight were released, but the other seven are still being held. On April 16, Somalia pirates said they would keep any Indian nationals until fellow pirates held by India are set free. On April 18, in the context of this situation, the International Maritime Organization (IMO) reiterated its condemnation of all acts of piracy and armed robbery against ships and expressed its concern over the treatment of seafarers being held hostage by pirates. In particular, it condemned their use as "human shields."

According to report from the International Maritime Bureau (IMB), the attacking area by Somali pirates has been spreading gradually into the Indian Ocean. Concerning this matter, the Stratfor, the global security consultancy based in Texas, U.S.A., points out that, by using larger mother ships capable of riding out heavy seas during the monsoon season, Somali pirates not only overcame the limits of the past attack areas, but also expanded capability to detain their hijacked vessels in 2010. For instance, on February 25, Somali pirates released a Panamanian-flagged cargo ship operated by the Japanese NYK-Hinode Line Ltd, MV *Izumi* (20,170DWT). The vessel was hijacked in the

waters south of Mogadishu on October 10, 2010. MV *Izumi* is likely to be used as a “mother ship” of Somali pirates. On the other hand, holding of pirate groups and the destruction of mother-ships and skiffs by international naval forces have increased. Such incidents were noted three times in February, four times in March, and 12 cases in April.

On May 20, the UN's IMO has approved interim guidance on the employment of privately contracted armed security personnel on board ships transiting the high-risk piracy area off the coast of Somalia and in the Gulf of Aden and the wider Indian Ocean at its Maritime Safety Committee (MSC) session in London from May 11 to 20. According to the IMO, the MSC approved “Interim Guidance to ship-owners, ship operators, and shipmasters” and “Interim Recommendations for flag States” regarding the use of privately contracted armed security personnel on board ships. According to an estimate of the Security Association for the Maritime Industry, around 20% of ships sailing in the Gulf of Aden and the Indian Ocean will carry armed guards by 2013. At present 12% of vessels have armed guards on board. The Indian government has decided to allow deployment of armed guards on board Indian cargo vessels sailing on the pirate-infested waters of the Indian Ocean, a top government official said on May 24. Nevertheless, the government is not in favor of allowing private security guards on board national flag-carriers. On the other hand, Thailand will put four members of its armed guard units aboard each Thai merchant vessel to provide protection until it travels out of the piracy-prone sea lanes in the Gulf of Aden.

On April 11, UN Security Council unanimously adopted resolution 1976 (2011) to urgently consider the establishment of special

Somali courts operating in the country, as well as the East African region.

Military Developments: On April 6, high-resolution pictures of China's first aircraft carrier, the 67,500-tonne *Varyag*, appeared on the Xinhua website, with captions saying “the vessel was almost finished and expected to sail in 2011.” It was the first time that official state media reported on the nation's first aircraft carrier project as well as indicating its construction progress at a shipyard in Dalian, Liaoning.

In an exclusive interview with the Hong Kong Commercial Daily on June 7, the chief of the General Staff of the People's Liberation Army (PLA) Chen Bingde has confirmed that China's first aircraft carrier is under construction. However, an official from the PLA also added that he would not respond to questions concerning the aircraft carrier before it completes construction. This is the first time the PLA has officially acknowledged the existence of a Chinese aircraft carrier. In addition, Qi Jianguo, assistant to the chief of the general staff of the PLA, said to the paper that “the significance of owning aircraft carrier is a symbol as a great power that China has to experience on its path of going to the world, citing the examples of the other permanent members of the UN Security Council that have already owned aircraft carriers. Major articles on the Chinese aircraft carrier have been discussed in the OPRF MARINT Monthly June. The U.S. newspaper, *The New York Times* dated June 15, has carried the views of U.S. experts concerned that one of the Chinese Navy's main goals in modernizing the fleet is to operate in an area where the United States currently has naval supremacy -- the waters of the western Pacific that lie beyond Japan, Taiwan and the Philippines, what is commonly known as the

“first island chain.”

On the other hand, in the first half-year, there were some noticeable articles over the U.S. military presence in Asia. For instance, contributing an article titled “A One-Sided Arms Race: China’s military ambitions are boundless” to *The Weekly Standard* (Net edition) dated January 24 (Vol. 16, No. 18), Dan Blumenthal and Mike Mazza, researchers of the U.S. think tank - the American Enterprise Institute, mentioned in it that, against the Chinese expansion of the military power the United States should take the measures of strengthening the forward deployment fighting force instead of adopting the offshore strategy of pulling the bulk of U.S. forces back to Hawaii and Guam. Mark Helprin, a senior fellow at the U.S. think tank, The Claremont Institute, contributed an article titled “The Decline of U.S. Naval Power” to the U.S. newspaper, *The Wall Street Journal*, dated March 2. In the article, Helprin gives a warning that, while the Chinese navy is being expanded, the U.S. Navy’s world-wide bases and the number of the naval vessels continue to decrease. Helprin mentions, as China's navy rises and the U.S. Navy declines, not that far in the future the trajectories of showing a transition of naval powers of both nations will cross. In addition, Helprin says that, as the most-advanced technological nation, the United States can afford to build a fleet worthy of its past and sufficient to its future. Thomas G. Mahnken at the United States Naval War College and Andrew Shearer at the Australia’s Lowy Institute for International Policy jointly contributed an article entitled “Leading in the Indian Ocean” to the U. S. newspaper, *The Wall Street Journal*, on March 10. Authors advocate that, if Beijing challenges freedom of navigation in the Indo-Pacific, the United States and Australia should rally regional

countries in defense of keeping the world's crucial sea lanes open, and build a web of informal bilateral security arrangements between the U.S., Australia, India and Japan, to link these partners, and any others who would like to participate, in a seamless intelligence and surveillance network to monitor maritime security developments.

On January 25, in Mumbai the Indian Navy held the commissioning ceremony for the INS *Deepak*, the first fleet tanker of the Indian navy. The *Deepak* is the first of two fleet tankers India ordered to be built in Italy. With a displacement at full load of 27,500 tons, the 175 meter long fleet tanker, with a beam of 25 meters and a height of 19 metres, has two 10,00 kW diesel engines for propulsion and can reach a maximum speed of 20 knots. Further features include a propulsion system with an adjustable propeller and a flight deck for medium-heavy helicopters up to 10 tons. Also, the vessel can supply four ships at the same time. The ship can accommodate 250 crew and personnel.

On June 17, France and Russia signed an agreement for Paris to supply Moscow with two *Mistral* class helicopter carriers in a 1.2 billion euro (\$1.52 billion) deal. Two nations had already agreed to build two more *Mistrals* in Russia.

The 10th International Institute for Strategic Studies (IISS) Asia Security Summit, the Shangri-La Dialogue, was held in Singapore on June 4-5, and U.S. Secretary of States Robert Michael Gates, Japan’s Defense Minister Toshimi Kitazawa, and Defense Minister of PRC General Liang Guanglie delivered their speeches, the gist of which is discussed in the OPRF MARINT Monthly June.

Maritime Boundaries: On January 9 Bangladesh Foreign Minister Dip Moni said Bangladesh will

submit its document to claim 400 nautical miles of territorial waters in the Bay of Bengal to the United Nations (UN) over its maritime boundary in the Bay of Bengal disputed by neighboring India and Myanmar in February. The maritime dispute has, at times, led to the nations' navies conducting sometime provocative warship maneuvers in the contested area in the Bay of Bengal. There have also been flare-ups between Myanmar and Bangladesh over access to the region for oil and gas exploration. On the February 25, Bangladesh lodged its submission on the extended continental shelf of the Bay of Bengal to the United Nations Commission on the Limits of the Continental Shelf (CLCS) to support the claim. The claim ranges from 400-460 nautical miles on the seabed of the Bay of Bengal.

South China Sea-related Events: Starting with the OPRF MARINT Monthly June, OPRF has decided to change the previous column of "Maritime Boundaries" into "South China Sea-related Events" in consideration of the trend that the South China Sea is becoming the most important security issue in East Asia, taking up all events concerning the South China Sea in this revised column.

On April 14, the Philippines' Department of Foreign Affairs (DFA) confirmed reports that the country had filed a formal protest in the UN Commission on the Limits of the Continental Shelf (UNCLOS) over China's so-called "nine-dash line" territorial claim over the entire South China Sea (SCS), by submitting a verbal note dated April 5. Countering a Philippine diplomatic protest at the United Nations, China sent a diplomatic note to the U.N. Secretary General on the 14th, in which Beijing said it has indisputable sovereignty over the Spratly islands, asserting the contents of the Philippines'

diplomatic note "are totally unacceptable to the Chinese Government."

On March 2, two Chinese patrol boats harassed a Philippine ship which had been deployed to secure the oil exploration activity at the Reed Bank of the Spratly Islands. On June 1, the Philippine government said it had sought an explanation from the Chinese embassy in Manila on what Chinese navy ships and a marine surveillance vessel were doing in May inside the Philippines' Exclusive Economic Zone (EEZ) in the South China Sea. According to Philippine Foreign Affairs Secretary Albert del Rosario, the Chinese ships reportedly unloaded building materials, erected an undetermined number of posts, and placed a buoy near the breaker of the Amy Douglas Bank off western Palawan Island which was well inside the Philippines' EEZ on May 21 and 24. On June 15, the Philippine Navy said it had removed foreign markers installed on three reefs and banks in disputed areas of the South China Sea (SCS). On June 13, Philippine President's office said it was renaming the South China Sea as the "West Philippine Sea." On June 22, during his visit to the United States, Philippines Foreign Secretary Albert del Rosario talked with US Secretary of State Hillary Rodham Clinton. At a press interview after the meeting, regarding the South China Sea, US Secretary of State Hillary Rodham Clinton said: (1) The United States has a national interest in freedom of navigation, respect for international law, and unimpeded, lawful commerce in the South China Sea; and (2) The United States remains committed to peaceful resolution of territorial conflicts in the South China Sea. Philippines Foreign Secretary Albert del Rosario said: (1) We are prepared to do what is necessary to stand up to any aggressive action in our backyard; and (2) We adhere to the Declaration

on the Conduct of Parties in the South China Sea and are working towards the eventual adoption of a code of conduct. On the 28th, Navies from the United States and the Philippines kicked off an 11-day (lasting until July 8) joint exercise dubbed the 17th Cooperation Afloat Readiness and Training (CARAT).

On the other hand, on March 3, the Vietnamese Foreign Ministry has expressed indignation at the military drill conducted by China near Truong Sa (Spratly) Archipelago at the end of February. "The exercise is a gross violation of Viet Nam's sovereignty over the archipelago and runs totally against the Declaration of Conduct in the East Sea (DOC) signed by ASEAN and China in 2002," the FM said. On May 29, the Vietnamese Foreign Ministry held a press conference regarding the incident in which a Chinese marine surveillance vessel cut the exploration cables of *Binh Minh 02* seismic vessel of Viet Nam National Oil and Gas Group (PVN) on the May 26 while it was conducting seismic survey in the continental shelf of Viet Nam. Foreign Ministry Spokesperson Nguyen Phuong Nga made the statement as follows: China's acts infringe upon sovereignty and exclusive rights within the Vietnamese continental shelf and exclusive economic zone (EEZ). Vietnam asks China to cease and refrain from recurrence of acts and to compensate for the damages caused to Viet Nam. On the other hand, the Vietnam People's Navy and the People's Liberation Army Navy (PLAN) of China have commenced the 11th two-day joint patrol in the Bac Bo (Tonkin) Gulf on the June 19. Two patrol boats of respective navies participated in the exercise, with a journey of more than 300 nautical miles along the delimited waters that border Vietnam and China in the Tonkin Gulf.

On June 9, Chinese Ambassador to the

Philippines Liu Jianchao warned Asian neighbors to stop searching for oil near the Spratly Islands and vowed again to assert its sovereignty in the South China Sea. Chinese Ambassador said China has not started to drill for oil there and warned others to stop any oil exploration in the area without Beijing's permission.

On June 27, blaming China for South China Sea (SCS) issues, the U.S. Senate has unanimously approved a resolution introduced by Senator Jim Webb, saying the issue should be resolved peacefully through a multilateral effort.

On the other hand, there were some noticeable articles over the U.S. policies toward SCS issues. For example, contributing an article titled "Beijing turns up heat in S. China Sea" to the Singaporean newspaper, *The Straits Times* dated June 6, Michael Richardson, a visiting senior research fellow at the Institute of South East Asian Studies based in Singapore, says that, in view of China that sees the South China Sea (SCS) as strategically and economically important, and appears to be increasingly determined to strengthen the presence and control in areas of the SCS, the writer is regarding with interest whether or not the United States will guarantee the Philippines the security under the treaty in such a situation. In addition, the writer mentions that, although strategic ambiguity serves as the best assurance of regional stability, if it is seen in Beijing as a sign of US weakness, it may embolden China to continue its assertive policy in the South China Sea. On June 30, Michael Auslin, the director of Japan studies at a US think tank- the American Enterprise Institute, has contributed the article titled "Billiards in the South China Sea" to the U.S. newspaper, *The Wall Street Journal*. Auslin mentions that, although China is playing billiards in the South China Sea, America is playing some

version of Capture the Flag, and trying to keep Beijing from capturing the flag of regional hegemony. Based on this fact, the best way forward for the United States is to recognize China's game, start playing it and then rig the table. Washington should seek to expand the billiard table by putting more balls into play.

Diplomacy and International Relations:

According to Pakistan's defense minister Ahmad Mukhtar, China has agreed to take over operation of the strategically positioned but underused port of Gwadar, and that Islamabad would like the Chinese to build a base there for the Pakistani Navy. Mr. Mukhtar made the announcement after accompanying Prime Minister Yusuf Raza Gilani on a visit to China on May 17 -20. On the other hand, in an interview on the 24th, Chinese Foreign Ministry Spokesperson said he heard nothing about such an offer. Gwadar Port is situated in the strategically important position which controls the gate of the Hormuz Strait. At present, the port seems to be situated in an unfavorable position for fulfilling the sufficient harbor capabilities. Billy Tea, a journalist and strategic analyst, has contributed a full page article titled "Unstringing China's strategic pearls" to the Asian Times Online, Web edition dated March 11. Regarding the so-called China's "String of Pearls," the article concludes that the "String of Pearls" theory comes undone, based on his verification of ascertaining the truth of each "pearl." It is significant that all governments of the nations concerned, where the ports of "pearls" are located, have strongly refuted speculation that China would be allowed to use their sovereign port as military bases, present or future. Contributing an article titled "Pakistan's Black Pearl" to an American magazine, *Foreign Policy*, Web edition dated on June 3, Urmila

Venugopalan, a former Asia editor at a British monthly journal on military intelligence, *Jane's Intelligence Review*, has pointed out that, in light of overall indications, China's interest in Gwadar port may have been decreasing and in the foreseeable future the focus of China's maritime strategy will continue to be focused on the Taiwan Strait and the South China Sea.

John Hemmings, the coordinator and a research analyst for the International Security Studies department at the Royal United Services Institute in London, has contributed an article titled "China's Rise = Remilitarizing Japan?" to *The Diplomat* (a Tokyo-based Web journal) dated January 21. In the article the author is pointing out: (1) In the past ten years there have been the three trends that have dominated the region over the last decade: the growth of Chinese power, the relative decline of US power and the resulting remilitarization of Japanese power. These trends have the capacity of driving a cycle of mistrust and spiraling arms spending. And, since Japan's defense posture automatically includes the United States (which is obliged by treaty to come to Japan's defense), any potential conflict has all the ingredients for a 'great power war.' (2) Therefore, the future of Asia depends on Chinese leaders making sensible choices. At the same time, it will also depend on Japanese and American leaders offering China sensible options.

Shipping, Shipbuilding and Harbors: On February 21, Maersk Line, a Danish major shipper, announced that it had ordered ten colossal vessels for \$19 billion from South Korea's Daewoo Shipbuilding. New "Triple-E" ships will carry 18,000 boxes each, 2,500 more than the biggest container ship currently in service, which is also operated by Maersk. The first of them is to be commissioned in 2013. The new ships will ply

the routes between Asia and Europe. On March 3, Norway's big shipping enterprise - the Wilh. Wilhelmsen group - has launched the largest class roll-on roll-off (ro-ro) ship, MV *Tønsberg*. The *Mark V* class roll-on roll-off ship is the largest one of this kind, with a length of 265 meters, offering a cargo volume of 138,000 cubic meters. Four roll-on roll-off vessels will be built at Mitsubishi Heavy Industries in Nagasaki, Japan. The second vessel will be delivered in August and two vessels in 2012.

On May 20, Royal Dutch Shell announced plans for the construction of the Prelude Floating Liquefied Natural Gas (FLNG) Project, the world's first FLNG facility. Shell plans to moor the Prelude FLNG some 200 kilometers off the Australian Coast at the Prelude gas field for 25 years.

Myanmar Port Authority (MPA) will carry out the maintenance of the water course of the River of Yangon aimed at facilitating safety drive of foreign vessels ranging from 15,000 tons to 35,000 tons from the mouth of the river to the Yangon port and timely completion of freight-handling. On April 27, China and Myanmar signed a memorandum of understanding to complete the railway line, connecting a Myanmar border town to the planned deep-sea port it is building at Kyaukphyu, along with an ongoing pipeline project.

According to Malaysia's Deputy Transport Minister on April 22, Port Klang is expected to achieve at least a 10th place ranking among world's container terminal in the near future, surging in the handling of containers, with a 21.4 percent jump to 8.87 million TEU's from the 7.3 million in 2009.

Ocean Resources, Energy, Sea Environment and Others: In Indonesia, a new shipping regulation, under which all vessels operating in its waters have to be registered in the country and use the Indonesian flag, was enforced in January. The regulation takes effect May 7, 2011 and will be applied to shipping related to oil and natural gas. Indonesia still requires foreign vessels to support its upstream (production) business, vessels for probe, offshore drilling, jack-up rigs, semi submersible rigs, deepwater drilling and tender assist rigs, among others. According to Indonesia's upstream regulator of oil and natural gas, BPMigas, Indonesia needs 138 special needs vessels to support its upstream business in 2011, and the figure will increase to 235 units by 2015. Indonesia may lose \$7.3 billion in revenue annually from the oil and gas sector once a new shipping regulation is applied. In addition, it is worried that \$188 million of seismic survey activity commitments and another \$2.8 billion in exploration and development block commitments will be delayed.

According to the China National Offshore Oil Corporation (CNOOC), China is aiming for oil & gas production of 500,000 barrels of oil equivalent (boe) per day by 2015 and 1 million boe per day by 2020 in deepwater areas of the South China. Shanghai Waigaoqiao Shipyard has built the HYSY 981 drilling rig, which can drill in 3,000 m of water to a total well depth of 12,000 meters. The HYSY 981 deepwater rig gives China the physical capacity to drill virtually anywhere in the South China Sea apart from the deepest parts of the abyssal plain.

On May 6, Australia's Environment Minister (EM) Tony Burke announced that the federal government has declared some 538,000 square kilometers of Australia's south-west oceans as marine protected areas.

Intelligence Assessment: In the monthly report of January, the OPRF carried two annual reports on piracy and armed robbery issued respectively by the International Maritime Bureau (IMB) and the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP). According to the IMB report, the number of the incidents reported in the year 2010 was 445. Of them, 249 were actual attacks, which included 53 hijackings, and 196 boarding incidents. Of 196 attempted attacks, 107 were firing incidents and 89 were boarding incidents. On the other hand, the ReCAAP issued a report on the incidents of piracy and armed robberies against ship noted in Asia in the year 2010. According to the report, the number of the incidents reported in the year 2010 was 164. Of them, 133 were actual attacks and 31 were attempted cases. The incidents drastically increased in 2010 by 60 percent, compared to 2009. In particular, the incidents increased in the Arabian Sea, Bangladesh, Malaysia, the South China Sea, and Vietnam. The incidents in the Arabian Sea were carried out by Somali pirates, indicating that Somalia pirates have proceeded into the areas targeted by the ReCAAP.

In the monthly report of February, the OPRF made a commentary on a 33-page article titled “Recent Development in the South China Sea: Grounds for Cautious Optimism?” issued by Carlyle A. Thayer, a professor of the University of New South Wales at the Australian Defence Force Academy, as a working paper of the Singapore-based Rajaratnam School of International Studies (RSIS) in December 2010.

In the monthly report of March, we carried an outline as well as related assessments of the presentation titled “The Security Environment in the East China Sea and the South China Sea” which was initiated by a researcher of the Ocean

Policy Research Foundation (OPRF), Mr. Hideshi Ueno, at the introductory session during the first two-day international conference on “The Security Environment in East Asian Maritime Region” hosted by the OPRF on February 16 -17, 2011.

In the monthly report of April, we summarized major points in the China’s Military White Paper which was released with the title of “2010 年中国的国防” in Chinese, and was translated into English as “China’s National Defense in 2010.”

In the monthly report of May, we carried two articles entitled “When Land Powers Look Seaward” and “Mao’s Active Defense Turning Offensive” in the April Issue of U.S. Naval Institute Proceedings on the trends of Chinese naval power, adding our reviews and comments.

In the monthly report of June, we ran the operations in which the United States Military Forces dispatched approximately 20,000 personnel, 22 ships and 140 aircraft, which had been unprecedented in the past as the rescue relief activities in order to support the relief-activities by the Japanese Self-Defense Force personnel, fire-fighting team members, policemen, and citizen-volunteers among others in the Great East Japan Earthquake which occurred on March 11, 2011. Looking at the relief activities by the U.S. military forces dubbed “Operation Tomodachi,” we carried an outline of the operations, adding some of our reviews and comments.

Intelligence Summary in July 2011

Maritime Security: On the 2nd, the Chinese Navy's 9th anti-piracy task force off Somalia, comprising the Type 052B destroyer *Wuhan*, and the Type 054A frigate *Yulin*, as well as the supply ship *Qinghaihu*, left Zhanjiang port in southern China's Guangdong Province. The 9th task force group carries a total of 878 seamen and officers on board, including dozens of Marines. On the 12th, Thai anti-piracy task force off Somalia composed of the frigate HTMS *Narathiwat* and the supply ship HTMS *Similan* set off from the Sattahip naval base in Chon Buri. The mission will last 140 days until November 28 this year.

Seychelles and Spain signed an agreement to collaborate in the fight against piracy in the Indian Ocean on the 4th. Thus, both countries agreed to explore the possibility of shipping heavy arms, with larger caliber, in tuna fishing vessels engaged in slaughter work in the Indian Ocean in order to repel attacks by Somali pirates.

On the 4th, a maritime consultancy in London says Somali pirates have been using Yemen's island of Socotra as a refueling hub enabling their attack craft to stay for longer periods at sea.

On the morning of 16, Somali pirates hijacked the United Arab Emirates (UAE)-flagged tanker MV *Jubba XX* (4,833 DWT) owned by its shipping company in the northern Indian Ocean. The tanker has a crew of 16.

Military Developments: Dr Toshi Yoshihara, Associate Professor at the US Naval War College issued an article titled "Resident Power: The Case for An Enhanced US Military Presence in Australia Strategic" (Snapshot, No.9, July 2011) at an Australian think tank, the Lowy Institute for International Policy. Associate Professor discusses that the strategic and operational rationales for this shift in US posture are compelling. The creaking Cold War-era basing infrastructure, the new requirements for meeting post-9/11 security threats, the dual rise of China and India, and the proliferation of precision strike weapons are all eroding the basic underpinnings of American power in the Pacific. Now the theater of conflicts among major powers is shifting south towards Australia, which has brought an imminent task of where the US should deploy naval forces in future. The article mentions that, while basing options in Australia are not a panacea, they offer some relief from these challenges.

Russia will supply six *Kilo 636-MV* class diesel-electric submarines to Vietnam in 2014. Russia and Vietnam signed a \$3.2-billion contract on the delivery of six submarines in December 2009. In addition, Russia will transfer the K-152 *Nerpa* nuclear attack submarine (SSN) to India on a 10-year lease by the end of 2011.

Contributing an article entitled "Asia Needs a Larger U.S. Defense Budget" under joint signature to the U.S. journal, *The Wall Street Journal*, July 5, 2011, Dan Blumenthal, director of Asian Studies at the American Enterprise Institute in Washington, D.C. and Michael Mazza, a senior research associate in foreign and defense policy at the American Enterprise Institute

(AEI), have discussed that, in order to oppose China's military rise, America should not reduce its military expenditure, but needs to spend more. If America skimps on its military expenditure, there is no doubt that it would cost more than allowing adequate costs of investments in deploying the U.S. forces in the Pacific today.

On the 11th, the U.S. Navy established the Program Executive Office, Littoral Combat Ships (PEO LCS). Led by Rear Adm. James Murdoch, the new PEO LSC provides a single program executive responsible for acquiring and maintaining the littoral mission capabilities of the LCS class from start to finish.

On the 15th, the U.S. Navy began naval exchange activities with the Vietnam People's Navy off Da Nang, Vietnam in conjunction with the 16th anniversary of establishment of diplomatic relations with the Socialist Republic of Vietnam.

In an interview with the China's Peoples Daily on the 27th, Li Jilie, a researcher from China's Naval Military Art Studies, answered questions from the reporters regarding the aim of Chinese conversion of the *Varyag* as well as the significance of their having the aircraft carrier, among others.

South China Sea-related Events: Two fellows, Nong Hong and Wenran Jiang, with the China Institute at the University of Alberta, Canada, have contributed an article titled "Chinese Perceptions of U.S. Engagement in the South China Sea" to China Brief, the U.S. Web journal. Mentioning perception gaps between U.S. and China in key words such as "Core interest," "Freedom of Navigation," and "Mechanism of solving the South China Sea Issues," authors discuss that the gaps were caused by China's territorial claims by the "U-shape line" composed of 9 dashes, and the most important and urgent agenda in this increasingly messy picture of the SCS issues is when and how China will clarify ample ground for its claim over the SCS.

At the meeting of foreign ministers of China and the Philippines held on the 9th in Beijing, two ministers tried to scale down their tensions over the disputed islands in the South China Sea by agreeing to safeguard peace and stability in the region. On the other hand, on the 13th, China rejected calls by the Philippines for the two nations to bring their conflicting claims in the South China Sea before a United Nations-backed tribunal.

On the 20th, five lawmakers visited the Philippine-claimed Pag-Asa Island in the territory of Spratlys. Dozens of Filipino troops and 60 villagers welcomed the congressional delegation. The island is the biggest in a cluster of the Spratly Islands that the Philippines claims as its own.

The Association of the South-east Asian Nations (ASEAN) held ASEAN Foreign Ministers Meeting in Bali on July 19-23, which is followed by a series of the meetings of foreign ministers of respective nations and the ASEAN Regional Forum (ARF).

On the 26th, Southeast Asian naval chiefs held their first formal talks amid in Hanoi. The meeting is aimed to confirm the importance of cooperation between naval forces of each ASEAN member.

On the 27th, the Philippine Navy's newest ship, BRP *Gregorio del Pilar* (PF-15) arrived at Honolulu, on its way for delivery to the homeland. BRP *Gregorio del Pilar* (PF-15), a former U.S.

Coast Guard cutter USCGC *Hamilton* (WHEC 715), becomes the first gas-turbine jet engine-powered vessel provided to the Philippine Navy to be operated as a multi-purpose combatant.

Shipping, Shipbuilding and Harbors: U.K. Shipping recruiter Faststream is warning that ship-owners that are ordering new LNG carriers could face serious difficulties in finding experienced superintendents to run their new ships in the coming months and years, particularly in Europe. At present, there are currently 19 LNG carriers under construction at shipyards in Korea, Japan and China. Crew-sizes for LNG ships are usually about 26 to crew personnel.

According to press release of Tokyo-Mitsui O. S. K. Lines, Ltd. on the 13th, the company announced that the exterior and basic design of its “hybrid car carrier aiming at zero emissions while berthed” had been determined. The vessel, as the world’s first newly-built hybrid car carrier, will be launched at the Mitsubishi Heavy Industries, Ltd., Kobe shipyard in June 2012.

On the 25th, the new Port Operations Control Centre (POCC)-Changi, Singapore, was commissioned. Equipped with a state-of-the-art Vessel Traffic Information System (VTIS), POCC-Changi plays a crucial role in ensuring navigational safety and protection of the marine environment in Singapore's port waters and the Singapore Strait.

Demolition activity has increased by an impressive 219% during the first six months of the year 2011, compared to the same period of 2010. Overall, the first half of the year ended with 400 vessels in total reported for scrap at a total deadweight of region 18.3 mil of tons. The bulk carriers occupied 38 of all. The demolition activity in the tanker and container segment has been subdued as there has been a sharp fall of 50% and 77% respectively from the first half of 2010.

Ocean Resources, Energy, Sea Environment and Others: Over 30 nations contribute to the multi-million dollar Argo project, in which 3,000 robotic instruments provide near real-time observations of conditions such as heat and salinity in the top 2,000 meters of the ocean. Australia ranks second among countries based on the number of profilers providing data, with more than 325 profilers reporting to international data centers from the Indian, Pacific and Southern Oceans and the Tasman Sea. With the region north of Mauritius being a no-go area for most vessels due to pirate activity, scientists at the Commonwealth Scientific and Industrial Research Organisation (CSIRO) in Australia have approached the U.S. and Australian navies to assist them in deployments of around 20 profilers, including 10 provided by the United Kingdom Argo project.

On the 26th, a manned Chinese submersible with three men on board, the *Jiaolong*, successfully reached its lowest-ever depth of 5,057m in an international area of the Pacific, taking less than three hours.

China’s application for deep-sea mining license in central Indian Ocean has been cleared by an international body in the meeting held by the International Seabed Authority at its head office in Kingston, Jamaica on July 11-22. China’s surveying area concurs with the Southwestern Indian Ridge, leaving the Indian Ministries of Defence and External Affairs fear Beijing may use

it as “an excuse to operate their warships in this area.”

Intelligence Assessment: On July 15, 2011, the International Maritime Bureau (IMB) of the International Chamber of Commerce (ICC) published a report on the incidents of piracy and armed robbery against ships noted in the world during the first half of 2011 (January 1–June 30) through the Piracy Reporting Center (PRC) based in Kuala Lumpur. Also, in late July, the Information Sharing Center (ISC) of the Regional Cooperation Agreement on Combating Piracy and Armed Robbery Against Ships in Asia (ReCAAP) which was established, based on ReCAAP, issued a Half Yearly Report (January–June 2011) which deals with incidents of piracy and armed robbery against ships. This monthly report summarized the main points in these reports.

1. Information Digest

1.1 Maritime Security

July 2 “China sends 9th anti-piracy fleet off Somalia” (Defence Web, July 5, 2011)

On the 2nd, the Chinese Navy’s 9th anti-piracy task force off Somalia, comprising the Type 052B destroyer *Wuhan*, and the Type 054A frigate *Yulin*, as well as the supply ship *Qinghaihu*, left Zhanjiang port in southern China's Guangdong Province. The 9th anti-piracy task force group carries a total of 878 seamen and officers on board, including dozens of Marines.

An outline of the article: On the 2nd, the Chinese Navy’s 9th anti-piracy task force off Somalia left Zhanjiang port in southern China's Guangdong Province. The task force comprises the Type 052B destroyer *Wuhan*, and the Type 054A frigate *Yulin*, as well as the supply ship *Qinghaihu*. The 9th task force group carries a total of 878 seamen and officers on board, including dozens of Marines. The *Wuhan* and *Yulin* will arrive in the Gulf of Aden after they participate in the Brunei Darussalam International Defence Exhibition (BRIDEX 2011) between July 6 and 9.

Refer to the article: Chinese Navy sends anti-piracy fleet to Gulf of Aden

http://www.defenceweb.co.za/index.php?option=com_content&view=article&id=16887:chinese-navy-sends-anti-piracy-fleet-to-gulf-of-aden&catid=51:Sea&Itemid=106

July 4 “Seychelles, Spain sign agreement to collaborate in anti-piracy” (FIS, July 4, 2011)

On the 4th, Seychelles and Spain signed an agreement to collaborate in the fight against piracy in the Indian Ocean. Thus, both countries agreed to explore the possibility of shipping heavy arms, with larger caliber, in tuna fishing vessels engaged in slaughter work in the Indian Ocean in order to repel attacks by Somali pirates.

An outline of the article: On the 4th, the president of Seychelles, James A. Michel, signed an agreement with the defense minister of Spain, Carmen Chacón, to collaborate in the fight against piracy in the Indian Ocean. During Chacón’s official visit to Seychelles, the authorities of both countries agreed to explore the possibility of shipping heavy arms, with larger caliber, in tuna fishing vessels engaged in slaughter work in the Indian Ocean in order to repel attacks by Somali pirates. Chacón said that the two parties agreed to set up a bilateral commission made up of civilian and military members, to assess the shipment of weapons of greater caliber in Spanish tuna vessels. While the Spanish government has already authorized the shipment of such weapons, Seychelles authorities do not allow military equipment in their territory. Government representatives also signed agreements related to the over-flight of airspace and the use of ports and airports in Seychelles by Spanish military units; to the support from the Government of this nation to detain suspected pirates; and to the information exchange on pirate groups operating in the area.

Refer to the article: Government will evaluate the use of heavy weapons in tuna vessels
<http://www.fis.com/fis/worldnews/worldnews.asp?l=e&country=0&special=&monthyear=&day=&id=44142&ndb=1&df=0>

July 4 “Somali pirates use Socotra island as fuel base” (Euronews, Reuters, July 5, 2011)

Somali pirates have been using Yemen’s island of Socotra as a refueling hub enabling their attack craft to stay for longer periods at sea, a maritime consultancy in London says on the 4th.

An outline of the article: Somali pirates have been using Yemen’s island of Socotra as a refueling hub enabling their attack craft to stay for longer periods at sea, a maritime consultancy in London says on the 4th. According to the report, the island of Sokotra is perhaps the most important refueling hub for hijacked merchant vessels used as mother-ships, especially those operating between the Gulf of Aden and India’s western waters. “There was a lot of piracy north of Socotra during the northeast monsoon and it is likely they have been using the island,” the source said. “Pirates use the beaches on the mainland not too far from Mukalla to collect fuel, and presumably other equipment.” IMB director Pottengal Mukundan said, “Socotra is strategically located. If it is true that the pirates are using Socotra, then it is an extremely disturbing development, which requires immediate investigation.”

Refer to the article: Somali pirates use Yemen island as fuel base

<http://www.euronews.net/newswires/997827-exclusive-somali-pirates-use-yemen-island-as-fuel-base/>

July 6 “Somali pirates attack tanker with rocket, causing fire” (Combined Maritime Forces, Press Release, July 6, and Somalia Report, July 7, 2011)

On the 6th, a distress call was issued by Liberian-flagged Suez Max oil tanker, MT *Brillante Virtuoso* (149,601DWT), which was attacked by Somali pirates approximately 20nm southwest of Aden, Yemen. The fire began when the pirates fired an RPG into the crew’s quarters, causing 26 crew members (all Filipinos) to evacuate the ship. the US guided missile cruiser, USS *Philippine Sea* (CG 58), operating under Combined Maritime Forces (CMF), arrived on the scene, and rescued crew members in a life-raft. The seven pirates that boarded the tanker had already fled the scene by the time the warship arrived. The vessel was en-route from Kerch, Ukraine to Qingdao, China, carrying one million barrels of fuel oil.

An outline of the article: On the 6th, a distress call was issued by Liberian-flagged Suez Max oil tanker, MT *Brillante Virtuoso* (149,601DWT), which was attacked by Somali pirates approximately 20nm southwest of Aden, Yemen. The statement of the shipping company operating the tanker said that the fire began when the pirates fired an RPG into the crew’s quarters, causing 26 crew members (all Filipinos) to evacuate the ship. Upon receipt of the distress call, the US guided missile cruiser, USS *Philippine Sea* (CG 58), operating under Combined Maritime Forces (CMF), arrived on the scene, and rescued crew members in a life-raft. The seven pirates that boarded the tanker had already fled the scene by the time the warship

arrived. On the next morning, the situation is reported to be under control and the vessel is currently at anchor, approximately 16 miles from the nearest shore. The vessel was en-route from Kerch, Ukraine to Qingdao, China, carrying one million barrels of fuel oil.

Refer to the article: CMF Ship USS Philippine Sea (CG 58) rescues crew from *Brillante Virtuoso*

<http://combinedmaritimeforces.com/2011/07/06/cm-f-ship-uss-philippine-sea-cg-58-rescues-crew-from-brillante-virtuoso-2/>

Oil Tanker Fire Under Control

<http://www.somaliareport.com/index.php/post/1101>



US Navy personnel in small boat come to aid of merchant sailors in orange life raft while ship burns in background.

Source: Combined Maritime Forces, Press Release, July 6, 2011

July 12 “Thai sends anti-piracy task force off Somalia” (The Bangkok Post, July 13, 2011)

On the 12th, Thai anti-piracy task force off Somalia composed of the frigate HTMS *Narathiwat* and the supply ship HTMS *Similan* set off from the Sattahip naval base in Chon Burito. The mission will last 140 days until November 28 this year.

An outline of the article: On the 12th, Thai anti-piracy task force off Somalia set off from the Sattahip naval base in Chon Burito to be deployed in the Gulf of Aden. The task force is composed of the frigate HTMS *Narathiwat* and the supply ship HTMS *Similan*, and two helicopters onboard. There are 368 personnel assigned to the fleet. This has been the second deployment of the fleet since 2010, which will last 140 days until November 28 this year.

Refer to the article: Navy ships head off on pirate patrol again

<http://www.bangkokpost.com/news/security/246786/navy-ships-head-off-on-pirate-patrol-again>

July 13 “Australia, Malaysia sign MOU” (Finchannel.com, July 13, 2011)

On the 13th, a Memorandum of Understanding (MOU) was signed between the Malaysian Maritime Enforcement Agency (MEA) and Australia’s Border Protection Command.

An outline of the article: On the 13th, a Memorandum of Understanding (MOU) was signed between the Malaysian Maritime Enforcement Agency (MEA) and Australia’s Border Protection Command. The MOU represents a shared commitment by both countries to enhance their capacity to address maritime security concerns, particularly transnational crime, through promoting cooperation in the: sharing and exchange of information, training and development of staff, research and development, and other areas of cooperation relating to civil maritime law enforcement operations.

Refer to the article: Strengthening ties with Malaysia to improve maritime security

http://finchannel.com/Main_News/Criminal/90726_Strengthening_ties_with_Malaysia_to_improve_maritime_security/

July 16 “Somali pirates hijack UAE tanker” (EU NAVFOR Public Affairs Office, Press Release, July 18, 2011)

On the morning of July 16, Somali pirates hijacked the United Arab Emirates (UAE)-flagged tanker MV *Jubba XX* (4,833 DWT) owned by its shipping company in the northern Indian Ocean. The tanker has a crew of 16.

An outline of the article: On the morning of July 16, Somali pirates hijacked the United Arab Emirates (UAE)-flagged tanker MV *Jubba XX* (4,833 DWT) owned by its shipping company in the northern Indian Ocean, on her regular route from the UAE to the port of Berbera, Somalia. The tanker has a crew of 16 (1 Sri Lankan, 5 Indian, 3 Bangladesh, 1 Sudanese, 1 Myanmar, 1 Kenyan and 4 Somali). According to a Maritime Patrol aircraft of the EU NAVFOR, as of the morning of the 17th, the vessel was located 100 nautical miles northwest of Socotra Island, and nine suspected Somali pirates were on board MV *Jubba XX*.

Refer to the article: MV JUBBA XX PIRATED IN THE NORTHERN INDIAN OCEAN

<http://www.eunavfor.eu/2011/07/mv-jubba-xx-pirated-in-the-northern-indian-ocean/>



MT *Jubba XX*

Source: EU NAVFOR Public Affairs Office, Press Release, July 18, 2011

【Related Article】

“Tanker freed” (all Africa.com, July 28, 2011)

On the 27th, MV *Jubba XX* with all of its crew was released off the coast of Somalia.

An outline of the article: According to the shipping company of the United Arab Emirates (UAE), the MV *Jubba XX* with all of its crew was released on the 27th off the coast of Somalia following intervention by Puntland officials and tribal elders.

Refer to the article: MV Jubba XX Released Off the Coast

<http://allafrica.com/stories/201107281444.html>

July 22 “USN warship disrupts piracy activity” (Combined Maritime Forces Public Affairs, July 26, 2011)

On the 22nd, Combined Maritime Forces (CMF) warship USS *Anzio* (CG 68), assigned as the CMF’s counter-piracy mission Combined Task Force (CTF) 151 flagship, intercepted a skiff with a pirate group that attacked the merchant vessel in the Gulf of Aden. The suspected pirates had thrown their arms and paraphernalia into waters before being captured.

An outline of the article: On the 22nd, Combined Maritime Forces (CMF) warship USS *Anzio* (CG 68), assigned as the CMF’s counter-piracy mission Combined Task Force (CTF) 151 flagship, received in the Gulf of Aden a distress call from a merchant vessel that it had been attacked by suspected pirates in a skiff who were armed with a rocket propelled grenade launcher and AK-47 assault rifles. The merchant vessel avoided being attacked through adherence to Best Management Practice (BMP). Having received an order to pursue the suspected pirate vessel and intercept it, *Anzino* located the skiff which resulted from a collaborative effort between CTF 151, NATO (TF 508), a Japanese Maritime Self-Defense Force vessel and a Japanese Maritime Patrol Aircraft. The suspected pirates threw their arms and paraphernalia into the waters. After capturing the skiff, the boarding team of the USS *Anzio* discarded the remaining attacking paraphernalia of the pirates into waters.

Refer to the article: CMF Ship USS Anzio Disrupts Pirate Activity

<http://www.cusnc.navy.mil/articles/2011/CMF019.html>



Visit, board, search and seizure teams from guided-missile cruiser USS *Anzio* (CG 68), investigates a suspected pirate skiff. (GULF OF ADEN, July 22, 2011)

Source: Combined Maritime Forces Public Affairs, July 26, 2011

1.2 Military Developments

July “Asianization of US Navy and base transfer to Australia: Associate Professor Yoshihara” (Lowy Institute for International Policy, Strategic Snapshot 9, July 2011)

Dr Toshi Yoshihara, Associate Professor at the US Naval War College issued an article titled “Resident Power: The Case for An Enhanced US Military Presence in Australia Strategic” (Snapshot, No.9, July 2011) at an Australian think tank, the Lowy Institute for International Policy. Associate Professor discusses that the strategic and operational rationales for this shift in US posture are compelling. The creaking Cold War-era basing infrastructure, the new requirements for meeting post-9/11 security threats, the dual rise of China and India, and the proliferation of precision strike weapons are all eroding the basic underpinnings of American power in the Pacific. Now the theater of conflicts among major powers is shifting south towards Australia, which has brought an imminent task of where the US should deploy naval forces in future. The article mentions that, while basing options in Australia are not a panacea, they offer some relief from these challenges.

An outline of the article: Dr Toshi Yoshihara, Associate Professor at the US Naval War College issued an article titled “Resident Power: The Case for An Enhanced US Military Presence in Australia Strategic” (Snapshot, No.9, July 2011) at an Australian think tank, the Lowy Institute for International Policy. In November 2010 the Australia-United States Ministerial Consultations (AUSMIN) was held in Melbourne. Among the most concrete expressions of this diplomatic offensive was an AUSMIN agreement to enhance the US military presence in Australia. The two

governments established a bilateral working group to develop options that would broaden US access to Australian facilities and bases, among other cooperative activities. At a minimum, policymakers in both countries must persuasively answer two simple questions: Why Australia? Why now? In reply to these questions, Associate Professor Yoshihara mentions as follows:

- (1) The strategic and operational rationales for this shift in US posture are compelling. The creaking Cold War-era basing infrastructure, the new requirements for meeting post-9/11 security threats, the dual rise of China and India, and the proliferation of precision strike weapons are all eroding the basic underpinnings of American power in the Pacific. While basing options in Australia are not a panacea, they offer some relief from these challenges.
- (2) The 2007 “Maritime Strategy” – A Cooperative Strategy for 21st Century Seapower - vowed to stage preponderant combat forces in the Western Pacific, the Indian Ocean and the Persian Gulf for the foreseeable future. This declaration signaled a dramatic departure for the US Navy, which had fashioned its identity as a two-ocean navy poised to fight in the Atlantic and Pacific. To the architects of the strategy, great-power discord and hegemonic challengers were most likely to emerge in the eastern and southern rim-lands of Eurasia. These new centers of gravity thus compelled the United States to exercise predominant sea power in East and South Asia. By concentrating fleet operations east of the Suez, moreover, the US Navy would in effect become an Indo-Pacific navy. To facilitate this transformation, new basing arrangements would be needed.
- (3) The growth of Chinese and Indian sea power will accelerate the “Asianization” of the US Navy. The naval powers of New Delhi and Beijing will jostle for influence and advantage across the entire Indo-Pacific maritime theater. The convergence and perhaps collision of these two powers at sea will likely unfold at critical junctures of the Indian and Pacific Oceans, most notably in the Malacca Strait. In short, the sources of naval competition will no longer be confined to Northeast Asian waters, where the US Navy has traditionally dominated. As the locus of great power interactions drifts southward toward Australia, questions about the future disposition of US naval forces, namely the stationing of the fleet, will gain urgency.
- (4) A quick glance at the map will show that the existing basing architecture is not optimally configured to meet the emerging challenges in the Indo-Pacific. The principal hubs for forward-deployed US sea power in Asia are scattered among bases in Japan, South Korea, and Guam, well east and north of where great-power maritime encounters are most likely to unfold. And along the way, naval units bound westward depend on free passage through such narrow seas as the Luzon, Malacca, and the Lombok and Sunda straits. Should China contest or close these chokepoints, the prospects for quick reaction will dim accordingly. Regional bases from which the United States projects its naval power have become exceedingly vulnerable to ballistic and cruise missile attacks. The rapid growth of Chinese precision strike systems, in particular, calls into question longstanding assumptions that US forces can easily access and safely use forward bases in Northeast Asia. China is presently capable of launching hundreds of short-range ballistic missiles in

coordinated salvos to pummel Kadena air base, the hub of American airpower in Asia, rendering it inoperable in a matter of hours. (Note: Regarding Chinese missile threats to US military bases in Japan, refer to Toshi Yoshihara, “Chinese Missile Strategy and the U.S. Naval Presence in Japan: The Operational View from Beijing”, *Naval War College Review*, Summer 2010, Vol.63, No.3. and OPRF MARINT Monthly Report, September 2010, 2. Intelligence Assessment.)

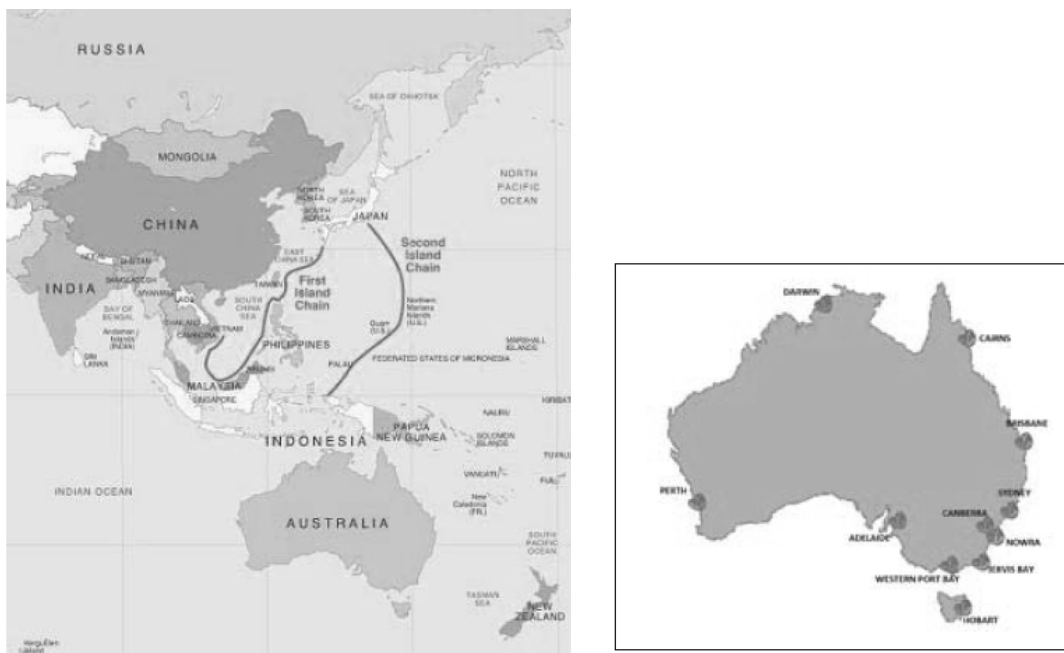
- (5) Yet, other basing options less susceptible to anti-access threats are not perfect substitutes. Singapore appears ideal for US strategic purposes. Nevertheless, Singapore would likely be loath to antagonize Beijing by permanently hosting a US Navy battle fleet. Additionally, Singapore lies just within the maximum range of Chinese theater strike systems, meaning that a U.S. fleet stationed there would be exposed to pre-emptive attack in port. As for Guam, with its small size and underdeveloped physical infrastructure, the island will be lying within the striking range of Chinese missiles in not too distant future. Located approximately 2,000 kilometers south from the Indian Sub-continent, Diego Garcia will remain safe from Chinese missiles for some time to come. But the tiny atoll is twenty times smaller than Guam, severely limiting its growth potential to accommodate a larger US naval presence.
- (6) In this context, Australia’s geo-strategic importance to the United States is coming into sharp focus. Australia enjoys numerous advantages. The island continent occupies a central position between the Indian Ocean and Western Pacific theaters, potentially enabling naval forces to shift between the two oceans. While the majority of its naval bases are located on the east coast, Australia possesses important facilities in the north and the west from which maritime forces can deploy to the South China Sea and the Indian Ocean. Warships and submarines based in Western Australia would benefit from direct access to the Indian Ocean, freeing them from the risks of passing through chokepoints and narrow seas. But Australia, too, suffers from some drawbacks. While Chinese missiles cannot threaten Australian territory, naval forces based there would labor to reach key theaters of operations in the Indo-Pacific. Consider some of the distances involved: HMAS Stirling base located in Garden Island off Perth is over 5,600 kilometers from Sanya naval base on China’s Hainan Island, while Diego Garcia is over 5,200 kilometers from Stirling.
- (7) The strategic guidance for this review posits three useful criteria for evaluating existing and prospective bases. To optimize the US defense posture, forward presence in Asia must be:
1. distributed more evenly across the region;
 2. durable and survivable enough to support a range of operations; .and
 3. politically acceptable to the host government and the people it represents.

The analysis above suggests that Australia easily meets the first two standards. With respect to the third, the Australian public may be more receptive than US and Australian defense planners anticipate: according to the Lowy Institute’s 2011 foreign policy poll, 55 per cent of Australians are in favor of basing US military forces in Australia (20 per cent strongly in favor). By contrast 43 per cent are opposed (22 per cent strongly). While a vocal

minority is likely to oppose an enhanced US military presence, these figures suggest that mainstream opinion would respond positively to a clearly-presented argument. Much depends on the actual modalities of basing arrangements. Very large and intrusive bases like the Yokosuka and Sasebo naval facilities in Japan could be too much of a stretch and probably do not make strategic sense in any case. By all accounts, some variation of the Singaporean model will likely be the basis of bilateral cooperation.

Refer to the article: Resident Power: The Case for An Enhanced US Military Presence in Australia

<http://www.lowyinstitute.org/Publication.asp?pid=1630>



Naval Facilities and Bases in Asia-Pacific Region and Australia

Source: Lowy Institute for International Policy, Strategic Snapshot 9, July 2011

July 1 “Vietnam to receive submarines in 2014” (RIA Novosti, July 1, 2011)

Russia will supply six *Kilo 636-MV* class diesel-electric submarines to Vietnam in 2014. Russia and Vietnam signed a \$3.2-billion contract on the delivery of six submarines in December 2009.

An outline of the article: Russia will supply six *Kilo 636-MV* class diesel-electric submarines to Vietnam in 2014, a representative of Russia's state-run arms exporter Rosoboronexport, has said on July 1. Russia and Vietnam signed a \$3.2-billion contract on the delivery of six submarines in December 2009. *Kilo* class submarines are considered to be among the quietest diesel-electric submarines in the world. The vessel has a displacement of 2,300 tons, a maximum depth of 350 meters (1,200 feet), a range of 6,000 miles, and a crew of 57. It is equipped with six 533-mm torpedo tubes "Club-S cruise missile systems. At least 29 *Kilo* class subs have been exported to China, India, Iran, Poland, Romania and Algeria.

Refer to the article: Russia to start supplying submarines in Vietnam in 2014

http://en.rian.ru/military_news/20110701/164952000.html



Kilo class diesel submarine

Source: RIA Novosti, July 1, 2011

July 1 “Russia to transfer SSN to India on 10-year lease by yearend” (RIA Novosti, July 1, 2011)

Russia will transfer the K-152 *Nerpa* nuclear attack submarine (SSN) to India on a 10-year lease by the end of 2011, Navy commander Adm. Vladimir Vysotsky said on the 1st.

An outline of the article: Russia will transfer the K-152 *Nerpa* nuclear attack submarine (SSN) to India on a 10-year lease by the end of 2011, Navy commander Adm. Vladimir Vysotsky said on the 1st. Vysotsky emphasized that the Indian crew is completely trained to operate the submarine. The lease contract, estimated at some \$900 million, was drawn up after an agreement between Moscow and New Delhi in January 2004, in which India agreed to fund part of the *Nerpa*'s construction. The *Nerpa* was scheduled to be introduced into the Indian Navy as INS *Chakra* by mid-2008. Then, shortly after the start of sea trials in November 2008, 20 sailors and technical workers were killed onboard the submarine due to a toxic gas leak when the automatic fire extinguishing system malfunctioned.

Refer to the article: India to get Russian *Nerpa* submarine by yearend

http://en.rian.ru/military_news/20110701/164947339.html



Nerpa class SSN

Source: RIA Novosti, July 1, 2011

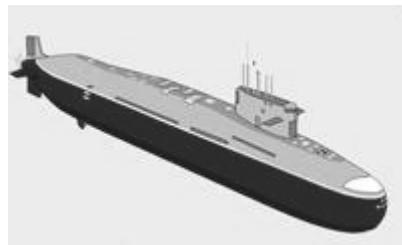
【Related Article】**“India begins construction of second nuclear submarine” (Domain-b.com, July 11, 2011)**

On the 11th, India has begun construction of its second nuclear submarine (SSN) at a new shipyard in Vishakhapatnam. The construction of the second submarine starts two years after the launch of INS *Arihant* the first of what is expected to be a series of five or six 5,000-6,000 tons indigenously designed and built nuclear attack submarines. (Russia has provided great technical help in making the project possible.) The second project is expected to be ready for sea trials by 2015.

An outline of the article: On the 11th, India has begun construction of its second nuclear submarine (SSN) at a new shipyard in Vishakhapatnam. The construction of the second submarine starts two years after the launch of INS *Arihant* the first of what is expected to be a series of five or six 5,000-6,000 tons indigenously designed and built nuclear attack submarines. (Russia has provided great technical help in making the project possible.) The submarine will carry indigenously designed electronics and other systems. The second project is expected to be ready for sea trials by 2015, by which time India is expected to have one Russian nuclear attack submarine on lease - the *Akula-II* class nuclear submarine K-152 *Nerpa* (to be renamed INS *Chakra*) and the INS *Arihant* also deployed.

Refer to the article: Construction commences on India's second nuclear submarine

http://www.domain-b.com/defence/sea/indian_navy/20110711_nuclear_submarine.html



India's indigenous nuclear submarine

Source: Domain-b.com, July 11, 2011

July 5 “Asian situation needs large U.S. defense budget: U.S. Asian expert” (The Wall Street Journal, July 5, 2011)

Contributing an article entitled “Asia Needs a Larger U.S. Defense Budget” under joint signature to the U.S. journal, *The Wall Street Journal*, July 5, 2011, Dan Blumenthal, director of Asian Studies at the American Enterprise Institute in Washington, D.C. and Michael Mazza, a senior research associate in foreign and defense policy at the American Enterprise Institute (AEI), have discussed that, in order to oppose China's military rise, America should not reduce its military expenditure, but needs to spend more. If America skimps on its military expenditure, there is no doubt that it would cost more than allowing adequate costs of investments in deploying the U.S. forces in the Pacific today.

An outline of the article: Contributing an article entitled “Asia Needs a Larger U.S. Defense

Budget” under joint signature to the U.S. journal, *The Wall Street Journal*, July 5, 2011, Dan Blumenthal, director of Asian Studies at the American Enterprise Institute in Washington, D.C. and Michael Mazza, a senior research associate in foreign and defense policy at the American Enterprise Institute (AEI), have discussed that, in order to oppose China’s military rise, America should not reduce its military expenditure, but needs to spend more. The gist of their article is as follows:

- (1) China's military rise is changing the balance of power in its neighborhood. While Washington debates how to cut America's military, China continues to spend generously on defense. As former Secretary of Defense Harold Brown once said of the Soviets, “When we build, they build; when we cut, they build.” The equation budget cutters should ponder is that “China's aggressive build-up plus American defense cuts equal Asian instability.”
- (2) That structure of instability could have far-reaching consequences. The long-term costs of defense cuts are not worth the short-term savings. If America skimps on its military, China will become the regional hegemon. One need only look to Beijing's recent behavior to imagine an Asia under Chinese domination. China has been bullying its neighbors over disputed claims in the South and East China Seas, while continuing an arms build-up across from Taiwan. In response allies and friends are asking for greater American presence—the U.S. military is obliging, but is doing more with less.
- (3) Such strategic insolvency is unsustainable. Should American military power further erode, the region would face one of two unhappy futures. One is that China could successfully pacify its neighbors and dominate Asia. America would thus fail to maintain a longstanding objective—the prevention of a hostile hegemon dominating Asia. The other is that Asian countries might find ways to resist Chinese pressure themselves. In this scenario, countries would arm to the teeth and form ever-shifting constellations of power. Many would develop weapons of mass destruction. Asia would look something like Europe did before World War I—but with nuclear weapons. Confronting either future tomorrow could be more expensive than properly investing resources in the U.S. Pacific forces today.

Refer to the article: Asia Needs a Larger U.S. Defense Budget

<http://online.wsj.com/article/SB10001424052702304803104576425414030335604.html>

July 6 “Indian Navy to buy 80 fast interception craft” (Naval Technology.com, July 6, 2011)

On the 6th, the Indian Navy signed a contract with Sri Lanka-based SOLAS Marine for the procurement of 80 fast interception craft (FIC) as part of an exercise to strengthen its coastal security. The next 80 would be inducted in the coming 36 months. The navy had earlier placed an order for 15 such boats in 2010 with French shipyard Chantier Naval Couach. Delivery of these FICs is expected to be completed by the end of 2012, of which three boats have been already inducted.

An outline of the article: On the 6th, the Indian Navy signed a contract with Sri Lanka-based SOLAS Marine for the procurement of 80 fast interception craft (FIC) as part of an exercise to

strengthen its coastal security. The FICs have a speed between 45mph and 50mph, and can accommodate four to five crew members. The boats would be deployed for coastal security duties that include engaging any suspicious vessel or activity and to protect vital assets and installations along coastal areas. The navy had earlier placed an order for 15 such boats last year with French shipyard Chantier Naval Couach. Delivery of these FICs is expected to be completed by the end of 2012, of which three boats have been already inducted. The next 80 would be inducted in the coming 36 months.

Refer to the article: Indian Navy to Buy 80 Fast Interception Craft

<http://www.naval-technology.com/news/news123570.html>

July 9 “U.S., Japan, Australia plan Joint Drill” (Defense News, AFP, July 8 and Ministry of Defense HP, July 8, 2011)

On July 9, the U.S., Japanese and Australian navies will hold a joint drill off Brunei in the South China Sea, the Maritime Self-Defense Force of Japan's defense ministry has said. The coming joint drills will be the first in the South China Sea and fourth overall.

An outline of the article: On July 9, the U.S., Japanese and Australian navies will hold a joint drill off Brunei in the South China Sea, the Maritime Self-Defense Force of Japan's defense ministry has said. The Japan's Maritime Self-Defense Force destroyer *Shimakaze*, the U.S. Navy destroyer USS *Preble* and the Royal Australian Navy patrol boat HMAS *Broome* will participate in the drills. The trilateral joint drills were inaugurated in 2007. The coming joint drills will be the first in the South China Sea and fourth overall. According to the Maritime Defense Force, the exercise is aimed at enhancing tactical skills of the Maritime Self-Defense Force and strengthening relations with the participating navies.

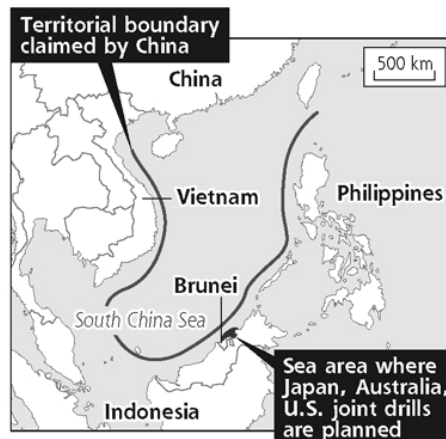
Refer to the article: U.S., Japan, Australia Plan South China Sea Drill

<http://www.defensenews.com/story.php?i=7046282&c=ASI&s=SEA>

The Maritime Self Defense Force of Japan's Ministry of Defense website:

<http://www.mod.go.jp/msdf/formal/info/news/201107/070801.pdf>

Notes: The naval vessels of three nations will conduct drills after participating in the Brunei Darussalam International Defence Exhibition (BRIDEX 2011) held between July 6 and 9, in which Chinese Navy's missile destroyer *Wuhan* and missile frigate *Yulin* will also participate before arriving in the Gulf of Aden and the waters off Somali on an anti-piracy mission.



Source: The Yomiuri Shimbun, Daily Yomiuri Online, July. 9, 2011

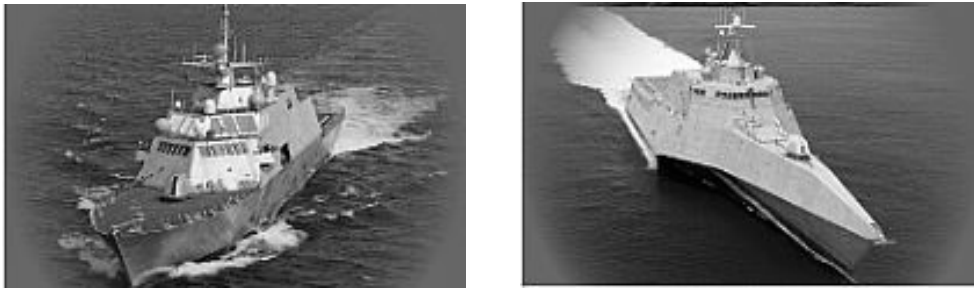
July 11 “U.S. Navy establishes Program Executive Office for Littoral Combat Ships” (U.S. Navy News Service, July 12, 2011)

On the 11th, the U.S. Navy established the Program Executive Office, Littoral Combat Ships (PEO LCS). Led by Rear Adm. James Murdoch, the new PEO provides a single program executive responsible for acquiring and maintaining the littoral mission capabilities of the LCS class from start to finish.

An outline of the article: On the 11th, the U.S. Navy established the Program Executive Office, Littoral Combat Ships (PEO LCS). Regarding the establishment of PEO LCS, Asst. Secretary of the Navy (Research, Development and Acquisition) Sean J. Stackley said, “To ensure that we deliver this program to the fleet successfully, I am establishing a new Program Executive Office, Littoral Combat Ships that will align several program offices into one consolidated PEO.” Led by Rear Adm. James Murdoch, the new PEO provides a single program executive responsible for acquiring and maintaining the littoral mission capabilities of the LCS class from start to finish.

The LCS is an entirely new breed of U.S. Navy warship. LCS's modular, focused-mission design will provide combatant commanders the required war-fighting capabilities and operational flexibility to ensure maritime dominance and access. LCS will also become a support platform for special operations forces. Additionally, LCS will also be networked to share tactical information with other Navy aircraft, ships, submarines, and joint units.

Refer to the article: Navy Establishes Program Executive Office for Littoral Combat Ships
http://www.navy.mil/search/display.asp?story_id=61525



The littoral combat ships USS *Freedom* (LCS 1), left, and USS *Independence* (LCS 2)

Source: U.S. Navy News Service, July 12, 2011

July 11 “U.S. and China’s military leaders meet in Beijing” (Inquirer News, July 11, and American Forces Press Service, July 12, 2011)

On the 11th, during a visit in Beijing, U.S. Navy Adm. Mike Mullen, chairman of the Joint Chiefs of Staff, talked with Gen. Chen Bingde, chief of the general staff of the People’s Liberation Army. Both military leaders affirmed that a healthy, stable and reliable military-to-military relationship is essential for a positive U.S.-China relationship.

An outline of the article: On the 11th, during a visit in Beijing, U.S. Navy Adm. Mike Mullen, chairman of the Joint Chiefs of Staff, talked with Gen. Chen Bingde, chief of the general staff of the People’s Liberation Army. Mullen’s visit to China follows a January visit to China by then-Defense Secretary Robert M. Gates, a meeting in Washington between President Barack Obama and Chinese President Hu Jintao, and a May visit to the United States by Gen. Chen Bingde, chief of the general staff of the People’s Liberation Army. Both military leaders affirmed that a healthy, stable and reliable military-to-military relationship is essential for a positive U.S.-China relationship. In a briefing for reporters after talks, chairman Mullen said: “Although sound ties between the U.S. and China (using what he called the two “Pacific powers”) are vital, I think we need to work a lot harder on strategic trust and transparency.” Regarding the South China Sea issue, the chairman said, “What I’m most concerned about is that the present incidents might cause an unexpected situation. We have an enduring presence and an enduring responsibility here. We seek to strongly support the peaceful resolution of these conflicts. The United States will not quit the region.” As for the China’s having aircraft carriers, Mullen said: “There is great symbolism associated with that aircraft carrier. Sometimes matching the actual capability versus the symbolism, there can be a gap there.”

Refer to the article: Mullen: U.S.-China Military Efforts Target Mutual Threats

<http://www.defense.gov/news/newsarticle.aspx?id=64642>

US tells China: We’ll maintain our enduring presence in Spratlys

<http://newsinfo.inquirer.net/22899/us-tells-china-we%E2%80%99ll-maintain-our-enduring-presence-in-spratlys>

【Related Article】**“China, US announce military exchange plans” (Xinhua, July 11, 2011)**

According to Xinhua on the 11th, consensus was reached on the details of military exchanges to be conducted in the near future after talks between Chief of the General Staff of the Chinese People's Liberation Army (PLA) Chen Bingde and Chairman of the U.S. Joint Chiefs of Staff Mike Mullen.

An outline of the article: According to Xinhua on the 11th, consensus was reached on the details of military exchanges to be conducted in the near future after talks between Chief of the General Staff of the Chinese People's Liberation Army (PLA) Chen Bingde and Chairman of the U.S. Joint Chiefs of Staff Mike Mullen. The schedule of military exchanges to be conducted in the near future is as follows:

- (1) The commander of one of the PLA's military regions will visit the headquarters of the U.S. Pacific Command in the third quarter of this year, while the U.S. commander-in-chief of the Pacific Command will visit China before the end of the year 2011.
- (2) Hospital ships of the two navies will conduct exchanges and carry out joint medical and rescue drills.
- (3) Armed forces from both sides will conduct joint humanitarian rescue and disaster relief drills in the third quarter of 2012.
- (4) The two navies will also carry out joint anti-piracy drills in the Gulf of Aden in the fourth quarter of this year.
- (5) The two sides will hold working group meetings and annual maritime military security meetings before the first half of 2012.

Refer to the article: China, U.S. announce military exchange plans

http://news.xinhuanet.com/english2010/china/2011-07/11/c_13978273.htm

July 15 “U.S. Navy, Vietnamese Navy kick off naval exchange activity” (U.S. 7th Fleet Public Affairs, July 15, 2011)

On the 15th, the U.S. Navy began naval exchange activities with the Vietnam People's Navy off Da Nang, Vietnam in conjunction with the 16th anniversary of establishment of diplomatic relations with the Socialist Republic of Vietnam.

An outline of the article: On the 15th, the U.S. Navy began naval exchange activities with the Vietnam People's Navy off Da Nang, Vietnam in conjunction with the 16th anniversary of establishment of diplomatic relations with the Socialist Republic of Vietnam. This seven-day collaboration will focus on non-combatant events and skills exchanges in areas such as navigation and maintenance, medical and dental civic action projects, and others. U.S. units participating in the naval exchange activities include the guided missile destroyers USS *Chung-Hoon* (DDG 93), USS *Preble* (DDG 88), and the rescue and salvage ship USNS *Safeguard* (T-ARS 50) among others.

Refer to the article: U.S. 7th Fleet Kicks Off Vietnam Naval Exchange Activity 2011

<http://www.c7f.navy.mil/news/2011/07-july/031.htm>

July 27 “Answers to five questions about China’s aircraft carrier: Researcher from China’s Naval Military Art Studies” (China Defense Mashup, July 30, 2011)

In an interview with the China’s Peoples Daily on the 27th, Li Jilie, a researcher from China’s Naval Military Art Studies, answered questions from the reporters regarding the aim of Chinese conversion of the *Varyag* as well as the significance of their having the aircraft carrier, among others.

An outline of the article: In an interview with the China’s Peoples Daily on the 27th, Li Jilie, a researcher from China’s Naval Military Art Studies, answered five questions from the reporters on the Chinese aircraft carrier, the gist of which is as follows:

- (1) Could you tell us the specific conditions of the aircraft carrier, which was previously named *Varyag*? Why has China decided to renovate a salvaged aircraft carrier instead of building a new one? What are the main purposes of this aircraft carrier?

Li Jilie: After restoration, the aircraft carrier will be mainly used for scientific research and training. In order to master the whole process of building an aircraft carrier, China has to start from the scientific research and experiments, and then solve technological problems in equipment of active force, piping design, material and the electronic equipment one by one. Additionally, this aircraft carrier will also be the platform for personnel training. For example, training pilots of the carrier aircraft, which could only be carried out on land previously...In the future, the training for the takeoff and landing could be conducted on the aircraft carrier. From the restoration of the salvaged aircraft carrier, China has chosen a road of introduction, digestion, absorption and recreation, which is a road of developing an aircraft carrier with Chinese characteristics. Besides, the timesaving aspect of the aircraft carrier restoration is also an important element. This is a decision made according to national conditions.

- (2) Why do we need an aircraft carrier? What are the functions in terms of elevating the combat effectiveness of the Chinese navy?

Li: The aircraft carrier is the most advanced offshore military platform the mankind has presently mastered, and it is taken as a symbol of the comprehensive national strength and navy strength of a country. In recent years, a trend has appeared in the world, some countries are building larger and more advanced aircraft carriers, and there are some other countries that are designing and building small aircraft carriers suitable for the needs of their own country, and China is a newcomer in the research and reformation of aircraft carriers. China is not only a great power on the land but also on the ocean, with about 3 million square kilometers of “blue territory” and endless coastline. It's impossible to defend this “blue territory” without large warships that could reach the territory and defend the sea border. Especially in the era of increasingly large-scale warship development throughout the world, without the equipment of aircraft carriers, the armed forces of China could neither defend the national security, the sovereignty of territorial seas, maritime rights and interests, nor fulfill the holy responsibilities it assumes. As a result, the restoration of the aircraft carrier is helpful for the defense of national maritime security, and having aircraft carriers is the dream of several generations of Chinese people.

The history for navies of strong Western powers that build and use the aircraft carrier has

lasted over hundreds of years. After the two world wars, the large-sized warship, which could be considered as a new type of warship in the warship family, has occupied the position of "Maritime Supremacy", and so far, no weapon has challenged its position. In short, the reason why aircraft carriers are so popular in every country is that the aircraft carrier formation has great striking power and defense force, which is invincible in sea battles, and its significant functions have been increasingly obvious.

(3) How do you regard the re-emerged "China Threat Theory" caused by China refitting the disused aircraft carrier platform?

Li: The reason for China to research and develop the aircraft carrier is that China wants to strengthen its abilities to safeguard its national security and keep the peace. China just wants to improve its self-defense ability and does not want to threaten any country. The "China Threat Theory" is baseless. Of the five permanent members of the UN Security Council, China is the only one that does not have an aircraft carrier. Around China, six or seven countries have already had or will have a aircraft carrier or helicopter carrier, including India, Thailand, Japan, South Korea, Russia, United States and Australia. Even if China has the carrier, the navy of China will not change its offshore defense strategy and China will not change its national defense policy, which is defensive in nature.

(4) What key technologies are needed to build the aircraft carrier?

Li: The aircraft carrier is an integration of many modern technologies and a complex "super system." To build it, a lot of key technologies are needed, such as the designing technology, carrier-aircraft matching technology, shipboard aircraft technology, ejection technology, intercepting technology, weapon technology, power technology, steel board production and welding technology and other corresponding equipment guarantee technologies. Of all these technologies, the shipboard aircraft technology and carrier-aircraft matching technology are very important. A large-scale carrier of the United States is usually equipped with 70 to 80 aircrafts of various types, and even will be equipped with 100 during the wartime. How should these aircrafts be deployed and arranged on the carrier board and in the hangar? How should they smoothly take off and land? How should the carrier cooperate with the other units and its subordinate ships to accomplish its mission? To successfully solve these issues, a series of technologies will be needed. Regarding the shipboard aircraft, it not only should have excellent technical combat capacity but also should be able to smoothly fit its carrier and cooperate with the other carriers of the same country. In a word, the aircraft carrier has high demands on the shipboard aircrafts, weapons and corresponding equipment, and a lot of technical means will be needed to solve the difficulties.

(5) What technical problems has China overcome when transforming the aircraft carrier?

Li: Modern aircraft carriers are maritime monsters equipped with various types of advanced technology and weapons. Transforming the aircraft carrier demands vast new knowledge, techniques and materials, such as comprehensive designs, engines and radars. Developing these technological capacities needs the support of the entire country. China is still in transition from mechanization to mechanization and is thus faced with many difficulties. The country used to start from scratch in many fields, but after great efforts, many difficult problems have been solved

and many advanced mature technologies have been developed and put into use. Of course, there is still a considerable technological gap between China's aircraft carrier and the world's most advanced aircraft carrier. There is a long way to go in technological innovation for China to build an advanced aircraft carrier that meets the needs of modern warfare.

Regarding how long an old aircraft carrier waits to enter service after it is revamped, there is no fixed rule. New problems are bound to occur when various aspects of an aircraft carrier, including the coordination between the carrier and aircraft, are tested in the dynamic and harsh marine environment. It takes time to solve these problems. Therefore, we should obey the laws of science and make rapid progress without undue haste.

Refer to the article: Five Questions about China's aircraft carrier

<http://www.china-defense-mashup.com/five-questions-about-chinas-aircraft-carrier.html>

1.3 South China Sea-related Events

July 1 “Perception gaps between U.S. and China in South China Sea issues” (China Brief Volume: 11 Issue: 12, July 1, The Jamestown Foundation)

Two fellows, Nong Hong and Wenran Jiang, with the China Institute at the University of Alberta, Canada, have contributed an article titled “Chinese Perceptions of U.S. Engagement in the South China Sea” to China Brief, the U.S. Web journal. Mentioning perception gaps between U.S. and China in key words such as “Core interest,” “Freedom of Navigation,” and “Mechanism of solving the South China Sea Issues,” authors discuss that the gaps were caused by China’s territorial claims by the “U-shape line” composed of 9 dashes, and the most important and urgent agenda in this increasingly messy picture of the SCS issues is when and how China will clarify ample ground for its claim over the SCS.

An outline of the article: Two fellows, Nong Hong and Wenran Jiang, with the China Institute at the University of Alberta, Canada, have contributed an article titled “Chinese Perceptions of U.S. Engagement in the South China Sea” to China Brief, the U.S. Web Journal. Regarding the perception gap between the U.S. and China in key words such as “Core Interest,” “Freedom of Navigation,” and “Mechanism of solving the South China Sea Issues,” the authors mention the gist of it as follows:

(1) China’s “Core Interest” vs. U.S.’s “National Interest”

The concern of the international community is that the Chinese, for the first time, labeled the South China Sea (SCS) a “Core Interest,” on par with its interests in Taiwan and Tibet. But, according to a Chinese political scientist, China never publicly use the term “Core Interest,” and China’s original text is that “the peaceful resolution of the South China Sea is the core interest of Chinese government,” which was said to be misinterpreted by the foreign media of Japan and the United States. On the other hand, regarding Secretary Clinton’s statement (made in Hanoi on July 23, 2010) that “United States has a national interest in resolving the claims,” the Chinese interpreted it that the Obama Administration

has changed its position on the SCS from being a neutral actor to being actively engaged. Indeed, at a Sino-U.S. workshop on the SCS in Hawaii in 2010, some U.S. scholars argued that Clinton's remarks may be in response to what many U.S. media report on China's recent statement in March 2010 when Beijing defined the SCS as one of its "core interests."

(2) "Freedom of Navigation"

Many Chinese military officers and scholars have challenged Clinton's calling "freedom of navigation in the sea" a U.S. "national interest." Wang Hanling, a specialist in maritime law at the Chinese Academy of Social Sciences, said that China has never interfered in the normal activities of any ship crossing the SCS or any aircraft flying over it, especially those for commercial use, "What the U.S. calls 'national interest' is not freedom of navigation but rather its presence in the Western Pacific, or military superiority and political influence, to be more specific," Wang elaborated. His comment stands for that of the majority of Chinese scholars. The U.S. and Chinese contesting views on 'freedom of navigation' have resulted in several incidents of obstructing U.S. research-vessels in the Chinese exclusive economic zones (EEZs). The disagreements between US and China, and between coastal states and user states in general, on the interpretations of the 1982 UNCLOS provisions generally relate to the exact presumed meaning of the terms in the convention, as well as the meaning of specific articles. For example, there are specific differences with regard to the meaning of 'freedom' of navigation and over-flight in and above the EEZ, i.e., whether such freedoms can be limited by certain regulations—national, regional or international—or whether such freedoms are absolute.

(3) Conflict Resolution Mechanisms in SCS

China expressed concern over the United States' increasing engagement in the SCS, adding that it opposes the internationalization of the maritime issue. China holds that the SCS issue is a dispute over sovereignty about territory and maritime rights between the relevant countries, and not an issue between China and the ASEAN, nor a regional or international issue. Some U.S. scholars argue that China's opposition to the "internationalization" of the SCS issue is tantamount to an attempt to de-internationalize an international sea. Once the South China Sea has been de-internationalized, China will be able to bring its strength to bear on the Southeast Asian countries and impose its own rules, rather than internationally accepted ones from international law on these waters.

(4) "U-shape line"

Consequently, the reason why such perception gap occurs is China's claim of territorial rights by the "U-shape Line" formed by China's "9 dashes," which remains the most controversial and ambiguous issue between China and other claimant states. The original line, drawn by Chinese authorities in 1947, was composed of 11 dashes. Later the PRC left out two dashes in the Tonkin Gulf. Beijing has not had any official declaration about the international and national legal values of the discontinuous dotted line. When China clarifies its claim is of great concern for not only other claimant states but for the whole international community. Above all, the most important and urgent agenda in this

increasingly messy picture of the SCS issues is when and how China will clarify ample ground for its claim over the SCS.

Refer to the article: Chinese Perceptions of U.S. Engagement in the South China Sea

http://www.jamestown.org/programs/chinabrief/single/?tx_ttnews%5Btt_news%5D=38131&tx_ttnews%5BbackPid%5D=25&cHash=cc1791c3dc7eff479e84d0f220b02af2

July 8 “China, Philippines seek to lower tension over maritime row” (MSN News, July 8, 2011)

At the meeting of foreign ministers of China and the Philippines held on the 8th in Beijing, two ministers tried to scale down their tensions over the disputed islands in the South China Sea by agreeing to safeguard peace and stability in the region.

An outline of the article: On the 8th in Beijing, the meeting of foreign ministers of China and the Philippines was held. Two ministers tried to scale down their tensions over the disputed islands in the South China Sea by agreeing to safeguard peace and stability in the region. “The two countries will make joint efforts to safeguard peace and stability in the region of the South China Sea in accordance with the Declaration on the Conduct of Parties in the South China Sea (DOC) signed by China and the ASEAN,” an official statement issued after talks between Chinese Foreign Minister Yang Jiechi and his Philippine counterpart Albert del Rosario here said.

Refer to the article: China, Philippines seek to lower tension over maritime row

<http://news.in.msn.com/business/article.aspx?cp-documentid=5274660>

【Related article】

“China rejects Philippine proposal to go before international tribunal over territorial issue” (The China Post, July 13, 2011)

On the 13th, China rejected calls by the Philippines for the two nations to bring their conflicting claims in the South China Sea before a United Nations-backed tribunal.

An outline of the article: On the 13th, China rejected calls by the Philippines for the two nations to bring their conflicting claims in the South China Sea before a United Nations-backed tribunal. “China always maintains that the South China Sea dispute should be resolved ... through direct negotiations between directly concerned countries,” foreign ministry spokesman Hong Lei told reporters. Philippine Foreign Secretary Albert del Rosario, who visited China last week, said he called for the dispute to go before the International Tribunal for the Law of the Sea in his meetings with senior officials.

Refer to the article: China rejects Philippine proposal on disputed sea

<http://www.chinapost.com.tw/china/national-news/2011/07/13/309689/China-rejects.htm>

July 20 “Philippine congressmen visit Pag-Asa Island” (The Philippine Star, July 20, 21 and VOA News, July 20, 2011)

On the 20th, five lawmakers visited the Philippine-claimed Pag-Asa Island in the territory of Spratlys. Dozens of Filipino troops and 60 villagers welcomed the congressional delegation. The

island is the biggest in a cluster of the Spratly Islands that the Philippines claims as its own.

An outline of the article: On the 20th, five lawmakers visited the Philippine-claimed Pag-Asa Island in the territory of Spratlys by two 12-seater planes. After replacing the old and dilapidated national symbol on the island, Akbayan Rep. Walden Bello said: “This is a historic moment for the congressional delegation. This is Philippine territory.” “We support a peaceful solution. But, we resist to any foreign powers that dare to eject us from Pag-Asa. Filipinos are willing to die for their soil,” he added. Dozens of Filipino troops and 60 villagers welcomed the congressional delegation. The island is the biggest in a cluster of the Spratly Islands that the Philippines claims as its own. Journalists who traveled with the legislators report that island residents say they get along fine with fishermen from other claimant countries and exchange greetings with Chinese fishing crews when they cross paths. On the other hand, China has expressed deep concern over a trip, saying it will go against a 2002 regional pact that discourages provocative actions and will serve to sabotage bilateral ties.

Pag-Asa Mayor Eugenio Bitoonon needs medical workers to monitor the health status of the residents. Major said, “We already announced and published it in the mainland (Palawan), but it seems that no one is interested to volunteer to work in our isolated island.” Pag-Asa Island is a three-day travel by boat from Puerto Princesa in Palawan. However, there is no commercial trip going the island. The only vessel plying from the mainland to this westernmost Philippine island is the 26-year-old boat of the local government unit. The boat will only travel to the mainland if the need arises. While they operate the military aircraft every other month, this congressmen’s visit was the first time that a commercial airplane landed on the island.

Refer to the article: Congressmen raise Philippine flag on Pag-Asa Island

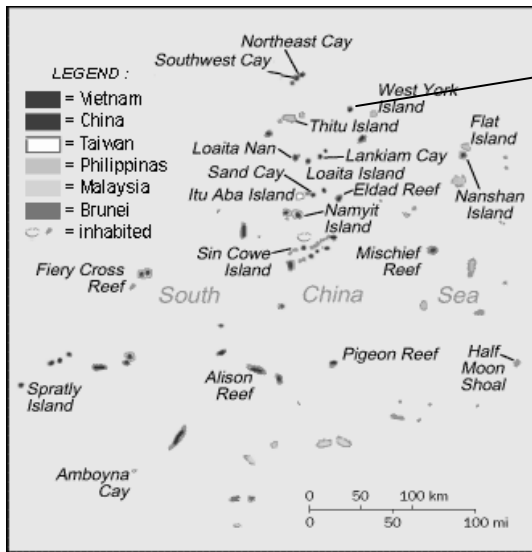
<http://www.philstar.com/nation/article.aspx?publicationSubCategoryId=63&articleId=708132>

Spratly town badly needs a doctor

<http://www.philstar.com/nation/article.aspx?publicationSubCategoryId=200&articleId=708470>

China Complains About Philippines Lawmakers' Visit to Disputed Islands

<http://www.voanews.com/english/news/asia/east-pacific/Philippines-Lawmakers-Visit-Disputed-Islands-China-Complains-125896538.html>



The Pag-Asa (Thitu) Island in the disputed territories of Spratlys



Philippine lawmakers, military officials, and members of the media join local residents in a symbolic unfurling of a banner at Pag-Asa Island, which, from now on will be called as part of the West Philippine Sea.

Source: The Philippine Star, July 21, 2011

【Related Article】

“Taiwan reiterates sovereignty over Spratlys” (The China Post, July 21, 2011)

On the 20th, Taiwan’s Ministry of Foreign Affairs (MOFA) reiterated Taiwan's sovereignty over the Spratly Islands, shortly after Philippine lawmakers made a trip there to declare their country's ownership.

An outline of the article: On the 20th, Taiwan’s Ministry of Foreign Affairs (MOFA) reiterated Taiwan's sovereignty over the Spratly Islands, shortly after Philippine lawmakers made a trip there to declare their country's ownership. MOFA spokesman said: “The Spratlys and the

surrounding waters are the undisputable territory of the Republic of China. The government advocates shelving the disputes and jointly developing the area's resources with neighboring countries, on the principles of peace and reciprocity.”

Refer to the article: Taiwan reiterates sovereignty over Spratlys

<http://www.chinapost.com.tw/taiwan/national/national-news/2011/07/21/310554/Taiwan-reiterates.htm>

July 19-23 “ASEAN holds FM meeting and others in Bali” (ASEAN Secretariat, and others, July 19~23, 2011)

The Association of the South-east Asian Nations (ASEAN) held ASEAN Foreign Ministers Meeting in Bali on 19-23 July, which is followed by a series of the meetings of foreign ministers of respective nations and the ASEAN Regional Forum (ARF). The following are the agreements and declarations on the South China issues in a series of meetings.

1. “Joint communiqué of the ASEAN Foreign Ministers Meeting” (ASEAN Secretariat, July 19, 2011)

The ASEAN Foreign Ministers Meeting was held on the 19th, and its Joint Communiqué was issued after the conference. Regarding the South China Sea issues, the Joint Communiqué expressed serious concern over the recent incidents and discussed in depth the recent developments in the South China Sea and called on all parties to respect the freedom of navigation in and over-flight above the South China Sea.

An outline of the article: The ASEAN Foreign Ministers Meeting was held on the 19th, and its Joint Communiqué was issued after the conference. Regarding the South China Sea issues, the Joint Communiqué mentions the gist of it as follows:

- (1) We discussed in depth the recent developments in the South China Sea and expressed serious concern over the recent incidents. In this regard, we stressed the importance of maintaining peace, and stability in the South China Sea, the continued exercise of self-restraint by all parties concerned, and the promotion of confidence-building measures in this area. We further reaffirmed the importance and continued relevance of the Declaration on the Conduct of Parties in the South China Sea (DOC) of 2002. We called on all parties to respect the freedom of navigation in and over-flight above the South China Sea as provided for by the universally recognized principles of international law, including the 1982 United Nations Convention on the Law of the Sea (UNCLOS).
- (2) We stressed the importance of promoting a peaceful, friendly and cooperative environment in the South China Sea, and the continued constructive dialogue between ASEAN and China in this regard. Subsequently, we look forward to the finalization of the Guidelines at the upcoming ASEAN-China Senior Officials’ Meeting on the Implementation of the DOC.
- (3) We initiated discussion in ASEAN on a regional Code of Conduct in the South China Sea (COC). In this regard, we tasked the ASEAN SOM to work on the development of the COC and submit a progress report to the 19th ASEAN Summit.
- (4) We noted with appreciation the proposal of the Philippines on a Zone of Peace, Freedom,

Friendship and Cooperation (ZoPFF/C) and tasked the ASEAN SOM with the assistance from maritime legal experts to seriously study the proposal. We welcome the offer of the Philippines to host the maritime legal experts meeting in September 2011, report to the SOM, and make recommendations to the Foreign Ministers prior to the 19th ASEAN Summit in November 2011.

Refer to the article (Full text of Joint Communiqué): Joint Communiqué of the 44th ASEAN Foreign Ministers Meeting

<http://www.asean.org/documents/44thAMM-PMC-18thARF/44thAMM-JC.pdf>

2. “China, ASEAN agree on ‘guidelines for implementation of DOC’” (ASEAN Secretariat News, July 20, and Xinhua, July 20, 2011)

On the 20th, after talks between senior officials from both sides, ASEAN and China have agreed on the “Guidelines on the Implementation of the Declaration on the Conduct of Parties in the South China Sea.” The “guidelines” are composed of eight items. Stressing its significance, Lie Zhemín said: “This is an important milestone document on the cooperation among China and ASEAN countries.”

An outline of the article: On the 20th, after talks between senior officials from both sides, ASEAN and China have agreed on the “Guidelines on the Implementation of the Declaration on the Conduct of Parties in the South China Sea.” China's Assistant Foreign Minister Liu Zhenmín said: “This is a significant and good start for us to work together to continue dialogue and cooperation with a view to further promote this stability and confidence in the region.” They agreed that the next seventh joint working group meeting will be convened in China. The Chinese side has made a number of proposals for further cooperation, including the convening of a symposium on free navigation in the South China Sea, and the establishment of three special committees on marine scientific research and environmental protection, navigation safety and search and rescue operations, and combating transnational crimes on the sea.

The “guidelines” they have agreed on are composed of eight items which stipulate: (1) The Parties to the DOC will continue to promote dialogue and consultations; (2) The implementation of activities or projects as provided for in the DOC should be clearly identified; (3) The participation in the activities or projects should be carried out on a voluntary basis; and (4) Progress of the implementation of the agreed activities and projects under the DOC shall be reported annually to the ASEAN-China Ministerial Meeting (PMC).

Stressing its significance, Lie Zhemín said: “This is an important milestone document on the cooperation among China and ASEAN countries.”

Refer to the article: ASEAN-China Reaches Landmark South China Sea Deal

<http://www.aseansec.org/26468.htm>

China, ASEAN nations agree on guidelines for implementation of DOC in South China Sea

http://news.xinhuanet.com/english2010/china/2011-07/20/c_13997623.htm

Guidelines for the Implementation of the DOC

<http://www.asean.org/documents/20185-DOC.pdf>

3. “ASEAN and China’s Foreign Ministers’ Meeting: Chair’s Statement” (ASEAN Secretariat, July 21, 2011)

ASEAN and China's Foreign Ministers' Meeting was held on the 21st. Chair's Statement announced reaffirmed the importance of the Declaration on the Conduct of Parties in the South China Sea (DOC) and formally endorsed the Guidelines on the Implementation of the DOC as agreed upon and recommended by the ASEAN-China Senior Officials' Meeting on the DOC.

An outline of the article: ASEAN and China's Foreign Ministers' Meeting was held on the 21st. Chair's Statement of the ASEAN announced mentions the South China Sea issue as follows:

- (1) The Meeting reaffirmed the importance of the Declaration on the Conduct of Parties in the South China Sea (DOC). The DOC embodies the collective commitment of the ASEAN Member States and China in promoting peace, stability and mutual trust and ensuring the peaceful resolution of disputes in the South China Sea.
- (2) In this regard, the Meeting welcomed the progress of the implementation of the DOC and formally endorsed the Guidelines on the Implementation of the DOC as agreed upon and recommended by the ASEAN-China Senior Officials' Meeting on the DOC on 20 July 2011. The Meeting shared the view that this was a significant outcome and a step forward in the implementation of the DOC, further contributing to the promotion of peace, stability and prosperity in the region, especially on the occasion of the 20th anniversary of the ASEAN-China Dialogue.

Refer to the article: ASEAN CHAIRMAN'S STATEMENT ON THE ASEAN POST MINISTERIAL CONFERENCE (PMC) + 1 SESSIONS

<http://www.asean.org/documents/44thAMM-PMC-18thARF/PMC-CS.pdf>

4. "ASEAN Regional Forum: Chair's Statement" (ASEAN Secretariat, July 21, 2011)

ASEAN Regional Forum Ministers' Meeting was held on the 23rd. The Chair's statement announced welcomed the finalization and adoption of the Guidelines for the Implementation of the Declaration on the Conduct of Parties in the South China Sea (DOC), and also encouraged the need to move towards the eventual establishment of a regional code of conduct (COC) [in the South China Sea as provided in the DOC].

An outline of the article: ASEAN Regional Forum Ministers' Meeting was held on the 23rd. The Chair's statement announced mentions the South China Sea issues, the gist of which is as follows.

- (1) The Ministers welcomed the finalization and adoption of the Guidelines for the Implementation of the Declaration on the Conduct of Parties in the South China Sea (DOC) at the recent ASEAN PMC+1 with China. The Ministers further reaffirmed the importance and continued relevance of the Declaration on the Conduct of Parties in the South China Sea (DOC) of 2002, as a milestone document between ASEAN Member States and China, embodying their collective commitment to promoting peace, stability and mutual trust and to ensuring the peaceful resolution of disputes in the area, in accordance with universally recognized principles of international law, including the 1982 United Nations Convention on the Law of the Sea (UNCLOS).
- (2) The Ministers reaffirmed the importance of maritime security and safety in the South

China Sea. They stressed the importance of promoting a peaceful, friendly and harmonious environment in the South China Sea for maintaining and enhancing peace, stability, economic growth and prosperity in the region. They also encouraged the need to move towards the eventual establishment of a regional code of conduct (COC) [in the South China Sea as provided in the DOC].

Refer to the article: Chair's Statement 18th ASEAN Regional Forum

<http://www.asean.org/documents/44thAMM-PMC-18thARF/18thARF-CS.pdf>

July 26 “ASEAN naval chiefs meet in Hanoi” (The Bangkok Post, July 27, 2011)

On the 26th, Southeast Asian naval chiefs held their first formal talks amid in Hanoi. The meeting is aimed to confirm the importance of cooperation between naval forces of each Asean member,

An outline of the article: On the 26th, Southeast Asian naval chiefs held their first formal talks amid regional concern over China's activities in the South China Sea. Vice Admiral Alexander Pama, commander of the Philippine navy, said forum was held for the purpose of enhancing collaboration, cooperation, among the Asean navies when the eyes of the world are focused on this region. Pama added that a solid Asean is an integral part of the solution to the South China Sea issues. Hanoi's Vice Admiral Pham Ngoc Minh stressed: “The meeting is aimed to confirm the importance of cooperation between naval forces of each Asean member in order to maintain peace, stability and development in the region.” Admirals had initial discussions about a “hotline” between naval headquarters, which ended in a conclusion to be too early to be adopted.

Refer to the article: SE Asian navies seek closer ties amid sea spat

<http://www.bangkokpost.com/news/asia/249103/se-asian-navies-seek-closer-ties-amid-sea-spat>

July 27 “Philippine Navy’s newest ship visits Honolulu” (U.S. Navy News Service, July 27, 2011)

On the 27th, the Philippine Navy's newest ship, BRP *Gregorio del Pilar* (PF-15) arrived at Honolulu, on its way for delivery to the homeland. BRP *Gregorio del Pilar* (PF-15), a former U.S. Coast Guard cutter USCGC *Hamilton* (WHEC 715), becomes the first gas-turbine jet engine-powered vessel provided to the Philippine Navy to be operated as a multi-purpose combatant.

An outline of the article: On the 27th, the Philippine Navy's newest ship, BRP *Gregorio del Pilar* (PF-15) arrived at Honolulu, on its way for delivery to the homeland. PF-15 is a former U.S. Coast Guard cutter USCGC *Hamilton* (WHEC 715). Having been provided to the Philippine Navy, *Gregorio del Pilar* left the Alameda base in California on July 18. As a multi-mission surface combatant ship, BRP *Gregorio del Pilar* (PF-15) becomes the first gas-turbine jet engine-powered vessel to be operated as a multi-purpose combatant in the Philippine Navy Fleet. Seventy-four crewmembers of the Philippine Navy underwent two months of hands-on training aboard USCGC *Boutwell* (WHEC 719), the sister ship of the *Hamilton*. While aboard *Boutwell*, the crew traveled to Colombia, Ecuador and El Salvador, participating in multiple missions including the

interdiction of drug smugglers.

After three-day stay there, BRP *Gregorio del Pilar* and USS Reuben James (FFG 57) are scheduled to conduct a Passing Exercise (PASSEX) off the coast of Hawaii next week before sailing the homeland. PASSEX is an exercise designed to increase interoperability between the two navies.

Refer to the article: Newest Philippine Navy Ship Gets Aloha Welcome
http://www.navy.mil/search/display.asp?story_id=61827&page=2



The Philippine Navy's newest ship, BRP *Gregorio del Pilar* (PF-15)

Source: U.S. Navy News Service, July 27, 2011

1.4 Shipping, Shipbuilding and Harbors

July 1 “Shipping recruiter warns of LNG staff shortages” (Marine Log, July 1, 2011)

U.K. Shipping recruiter Faststream is warning that ship-owners that are ordering new LNG carriers could face serious difficulties in finding experienced superintendents to run their new ships in the coming months and years, particularly in Europe. At present, there are currently 19 LNG carriers under construction at shipyards in Korea, Japan and China. Crew-sizes for LNG ships are usually about 26 to crew personnel.

An outline of the article: U.K. Shipping recruiter Faststream is warning that ship-owners that are ordering new LNG carriers could face serious difficulties in finding experienced superintendents to run their new ships in the coming months and years, particularly in Europe. “With the capacity of the LNG market said to rise from 300 bn cu m to 380 bn cu m by 2015,” says Faststream Group CEO Mark Charman, “I believe that ship-owners are going to be hard pressed to find the right people to manage these complex vessels.” At present, there are currently 19 LNG carriers under construction at shipyards in Korea, Japan and China. Crew-sizes for LNG ships are usually about 26 to crew personnel. According to Faststream, many ship-owners are now recruiting people with general tanker experience rather than those that specialize in LNG to run their ships.

Refer to the article: Shipping recruiter warns of LNG staff shortages

http://www.marinelog.com/index.php?option=com_content&view=article&id=1019:lngship01july2011j01&catid=1:latest-news&Itemid=107

July 13 “Hybrid Car Carrier to be launched in June 2012: Shosen Mitsui” (Press Release, July 13, 2011)

According to press release of Tokyo-Mitsui O. S. K. Lines, Ltd. on the 13th, the company announced that the exterior and basic design of its “hybrid car carrier aiming at zero emissions while berthed” had been determined. The vessel, as the world’s first newly-built hybrid car carrier, will be launched at the Mitsubishi Heavy Industries, Ltd., Kobe shipyard in June 2012.

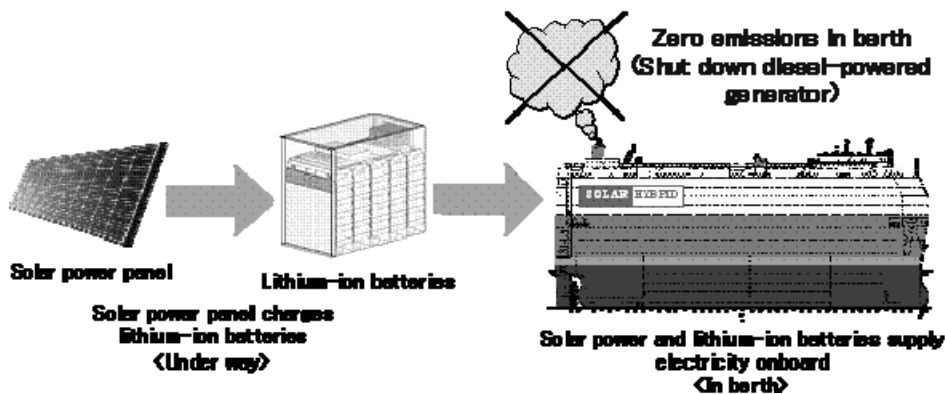
An outline of the article: According to press release of Tokyo-Mitsui O. S. K. Lines, Ltd. on the 13th, the company announced that the exterior and basic design of its “hybrid car carrier aiming at zero emissions while berthed” had been determined. Selected as a “project that develops systems to reduce CO2 emissions from ocean-going vessels” by Japan's Ministry of Land, Infrastructure, Transport and Tourism (MLIT) in 2009, the company’s “hybrid car carrier aiming at zero emissions while berthed,” with its exterior and basis design having been determined, will be launched at the Mitsubishi Heavy Industries, Ltd., Kobe shipyard in June 2012 as the world’s first newly-built hybrid car carrier. The vessel will be equipped with a hybrid electric power supply system that combines solar power panels for generation with lithium-ion batteries for power storage. With solar panels on every bit of flat, exposed upper deck space, this system generates some 160kW, making it the most powerful system of its type in the world. The lithium-ion batteries can store some 2.2MWh of electricity, and the power generated by the panels while the ship is under way is stored in the batteries and used to power the ship’s systems while it is berthed. The system eliminates the need for diesel-powered generators, enabling the ship to achieve zero emissions at the pier. Hybrid Car Carrier has specifications as follows: Capacity: 6,400 vehicles (standard passenger cars); LOA: 199.0 m; Beam: 32.26 m; Draft: 9.725 m.

Refer to the article: Hybrid Car Carrier launch scheduled for June 2012; Design of Hybrid Car Carrier Aiming at Zero Emissions While Berthed Determined

<http://www.mol.co.jp/pr-j/2011/j-pr-1144.html>



Bird's eye view



Conceptual Diagram of the System

July 14 “Austal books order for three wind farm support catamarans” (Marine Log, July 14, 2011)

Austal in Australia has been awarded a contract for construction of three offshore support vessels (OSVs) for Turbine Transfers Limited, based in Holyhead, United Kingdom. The Austal built OSV catamarans will be used to transport service crews and equipment to offshore wind farms off the coastlines of several European countries. OSV’s are due for delivery in May 2012.

An outline of the article: Austal in Australia has been awarded a contract for construction of three offshore support vessels (OSVs) for Turbine Transfers Limited, based in Holyhead, United Kingdom. The Austal built OSV catamarans will be used to transport service crews and equipment to offshore wind farms off the coastlines of several European countries. Turbine Transfers has been supporting wind farm owners and operators for a number of years and currently owns and operates a fleet of 18 vessels. The Austal built vessels will be the first that Turbine Transfers has commissioned outside the United Kingdom. Austal Chief Executive Officer (CEO), Andrew Bellamy, noted that the contract award is an important first step for Austal in becoming a supplier to the growing European renewable energy market. “Supporting the currently installed offshore generating capacity is today an attractive market opportunity, but the projected growth in new wind farms and wave generator capacity over coming years makes this market sector a strategic component of the Austal Group's commercial vessel business,” said Mr. Bellamy.

Three OSV’s will be built at Austal's Henderson, Western Australia, and they are due for delivery in May 2012. The OVS has specifications as follows:

Principal Particulars: Length overall: 21.30 m; Maximum Deadweight: 12.5 tons; Speed: 30 knots (Maximum wave height 2 m); Crew: 3; and Wind Farm Personnel: 12

Refer to the article: Austal books order for three wind farm support catamarans

http://www.marinelog.com/index.php?option=com_content&view=article&id=1082:2011jul00142&catid=1:latest-news&Itemid=107



The Austal built OSV catamaran

Source: Marine Log, July 14, 2011

July 25 “Singapore starts operations of sophisticated Port Operations Control Centre” (Bernama, July 25, 2011)

On the 25th, the new Port Operations Control Centre (POCC)-Changi, Singapore, was commissioned. Equipped with a state-of-the-art Vessel Traffic Information System (VTIS), POCC-Changi plays a crucial role in ensuring navigational safety and protection of the marine environment in Singapore's port waters and the Singapore Strait.

An outline of the article: On the 25th, the new Port Operations Control Centre (POCC)-Changi, Singapore, was commissioned. Equipped with a state-of-the-art Vessel Traffic Information System (VTIS), POCC-Changi plays a crucial role in ensuring navigational safety and protection of the marine environment in Singapore's port waters and the Singapore Strait. The new POCC-Changi is Singapore's third POCC and will eventually replace the existing facility at Tanjong Pagar Complex (POCC-TPC). The new VTIS at POCC-Changi has the ability to handle up to 10,000 vessel tracks at any one time. This is twice the capacity of the existing VTIS. The new VTIS is also able to pool together information from various sources like radars, Automatic Identification System (AIS), Harbor Craft Transponder System (HARTS), Closed Circuit Television System (CCTV) and ship databases to present a comprehensive sea situation picture to MPA's Vessel Traffic Management (VTM) operators on high-resolution displays. With the commissioning of POCC-Changi, the existing POCC at PSA Vista (POCC-Vista) will be undergoing upgrading to incorporate the same new technology used at POCC-Changi. After the completion of upgrading works at POCC-Vista, POCC-TPC will be decommissioned.

Refer to the article: Singapore To Handle Significant Maritime Traffic Growth With New Port Operations Control Centre

<http://maritime.bernama.com/news.php?id=603525&lang=en>

July 27 “Demolition of vessels increases by 219% during first half of year” (Hellenic Shipping News, July 27, 2011)

Demolition activity has increased by an impressive 219% during the first six months of the year 2011, compared to the same period of 2010. Overall, the first half of the year ended with 400

vessels in total reported for scrap at a total deadweight of region 18.3 mil of tons. The bulk carriers occupied 38 of all. The demolition activity in the tanker and container segment has been subdued as there has been a sharp fall of 50% and 77% respectively from the first half of 2010.

An outline of the article: According to the Greek shipbroker Golden Destiny, demolition activity has increased by an impressive 219% during the first six months of the year 2011, compared to the same period of 2010. During the same period, 47 cape-size units are estimated to have been sent for scrap comparing to only five units at a similar period in 2010 and nine units in 2009. The large appetite for the scrapping of larger size units in the bulk carrier segment is expected to persist till the end of the year as the outlook in the cape-size segment remains negative due to oversupply issues and fluctuations in Chinese iron ore demand, says Golden Destiny. Overall, the first half of the year ended with 400 vessels in total reported for scrap at a total deadweight of region 18.3 mil of tons. The bulk carriers occupied 38% of all. The demolition activity in the tanker and container segment has been subdued as there has been a sharp fall of 50% and 77% respectively from the first half of 2010.

Refer to the article: Demolition activity increases by 219% during first half of year

http://www.hellenicshippingnews.com/index.php?option=com_content&view=article&id=37832:demolition-activity-increases-by-219-during-first-half-of-year-&catid=1&Itemid=61

1.5 Ocean Resources, Energy, Sea Environment and Others

July 14 “Somali pirates impede climate observation in Indian Ocean” (CSIRO, July 14, 2011)

Over 30 nations contribute to the multi-million dollar Argo project, in which 3,000 robotic instruments provide near real-time observations of conditions such as heat and salinity in the top 2,000 meters of the ocean. Australia ranks second among countries based on the number of profilers providing data, with more than 325 profilers reporting to international data centers from the Indian, Pacific and Southern Oceans and the Tasman Sea. With the region north of Mauritius being a no-go area for most vessels due to pirate activity, scientists at the Commonwealth Scientific and Industrial Research Organisation (CSIRO) in Australia have approached the US and Australian navies to assist them in deployments of around 20 profilers, including 10 provided by the United Kingdom Argo project.

An outline of the article: Scientists of Commonwealth Scientific and Industrial Research Organisation (CSIRO) in Australia have sought the help of the United States and Australian navies to plug a critical gap in their Argo ocean and climate monitoring program caused by Somali pirates operating in the western Indian Ocean. According to a CSIRO Wealth from Oceans Flagship scientist, they have not been able to drop instruments to seed about one quarter of the Indian Ocean since the increase in the piracy. Over 30 nations contribute to the multi-million dollar Argo project, in which 3,000 robotic instruments provide near real-time observations of conditions such as heat and salinity in the top 2,000 meters of the ocean. Australia, through

CSIRO and the Integrated Marine Observing System (IMOS), ranks second among countries based on the number of profilers providing data, with more than 325 profilers reporting to international data centers from the Indian, Pacific and Southern Oceans and the Tasman Sea. At nearly two meters in length the drifting profilers, or 'floats', are programmed to drift at 1,000m for 10 days, then fall to 2,000m and sample as they ascend to the surface to upload their data to satellites. The program is heavily reliant on commercial shipping and research and chartered vessels to deploy the instruments. Therefore, with the region north of Mauritius being a no-go area for most vessels due to pirate activity, scientists at the CSIRO have approached the US and Australian navies to assist them in deployments of around 20 profilers, including 10 provided by the United Kingdom Argo project.

Refer to the article: Indian Ocean pirates impede climate observations

<http://www.csiro.au/news/Indian-Ocean-pirates-impede-climate-observations.html>

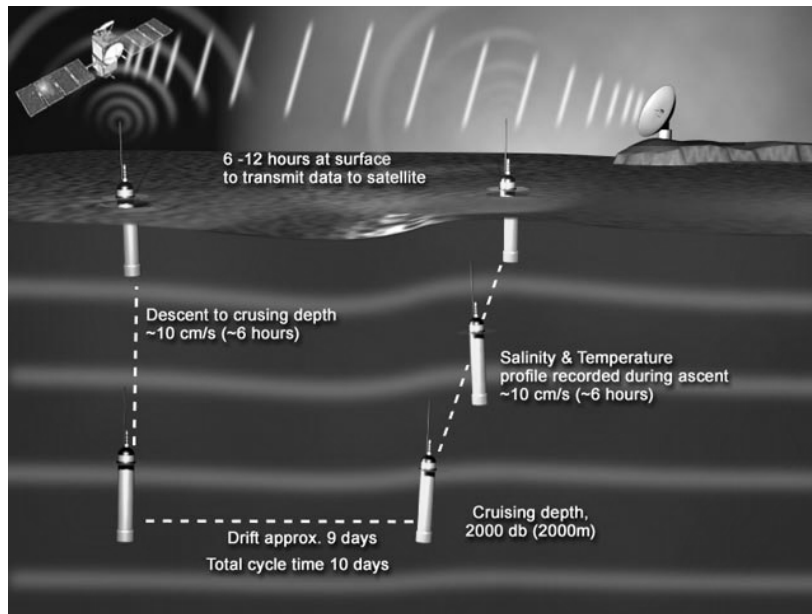


Deploying an Argo ocean profiler

Source: CSIRO

Note: As for Argo project, refer to Hp:

<http://www.argo.ucsd.edu/index.html>



Simple Mission Operation: The float descends to cruising depth, drifts for several days, ascends while taking salinity and temperature profiles, and then transmits data to satellites.

Source: Argo Hp

July 26 “China submersible makes its deepest dive yet at 5,000m” (The Taipei Times, July 27, 2011)

On the 26th, a manned Chinese submersible with three men on board, the *Jiaolong*, successfully reached its lowest-ever depth of 5,057m in an international area of the Pacific, taking less than three hours.

An outline of the article: According to China’s Xinhua news agency, on the 26th, a manned Chinese submersible with three men on board, the *Jiaolong*, successfully reached its lowest-ever depth of 5,057m in an international area of the Pacific, taking less than three hour. This event has enabled the submergible to explore more than 70 percent of the world’s sea floor. The Chinese State Oceanic Administration plans to carry out a 7,000m test dive in 2012. The *Jiaolong* was used in 2010 to plant the Chinese national flag deep beneath the South China Sea.

Refer to the article: China submersible makes its deepest dive yet at 5,000m

<http://www.taipeitimes.com/News/world/archives/2011/07/27/2003509265>



a manned Chinese submersible, the *Jiaolong*

Source: State Oceanic Administration People's Republic of China HP

July 31 “China set to mine central Indian Ocean, Delhi worried” (Indian Express, July 31, 2011)

China's application for deep-sea mining license in central Indian Ocean has been cleared by an international body in the meeting held by the International Seabed Authority at its head office in Kingston, Jamaica on July 11-22. China's surveying area concurs with the Southwestern Indian Ridge, leaving the Indian Ministries of Defence and External Affairs fear Beijing may use it as “an excuse to operate their warships in this area.”

An outline of the article: According to the Indian newspaper -*Indian Express* - dated on the 31st, China's application for deep-sea mining license in central Indian Ocean has been cleared by an international body in the meeting held by the International Seabed Authority at its head office in Kingston, Jamaica on July 11-22. According to the report, China's surveying area concurs with the Southwestern Indian Ridge, leaving the Indian Ministries of Defence and External Affairs fear Beijing may use it as “an excuse to operate their warships in this area.” The Directorate of Naval Intelligence (DNI) has warned, “It would provide them an opportunity to collect oceanographic and hydrological data in a legitimate manner.” Although China claims that it is only trying to meet a growing demand for minerals, DNI adds, “The military implications of the move are evident and would need to be monitored by the Indian Navy.”

Refer to the article: China set to mine central Indian Ocean, Delhi worried

<http://www.indianexpress.com/news/china-set-to-mine-central-indian-ocean-delh/824900/>

2. Intelligence Assessment

2. 1 Piracy and Armed Robbery against Ships during the first half of 2011

~Characteristics viewed in the IMB Report~

On July 15, 2011, the International Maritime Bureau (IMB) of the International Chamber of Commerce (ICC) published a report on the incidents of piracy and armed robbery against ships noted in the world during the first half of 2011 (January 1–June 30) through the Piracy Reporting Center (PRC) based in Kuala Lumpur. Below is a summary of the characteristics of the incidents of piracy and armed robbery against ships viewed from the IMB report (hereinafter referred to as Report) noted during the first half of 2011.

Regarding the definition of Piracy and Armed Robbery against Ships, the IMB accepts the “definition of piracy” in Article 101 of the United Nations Convention on the Law of the Sea (UNCLOS). As for the armed robbery, the IMB accepts the definition of the “Code of Practice for the Investigation of the Crimes of Piracy and Armed Robbery against Ships” which was adopted by the International Maritime Organization (IMO) in November 2001.

1. Characteristics viewed from numbers and locations of actual and attempted attacks

The number of the incidents reported during the first half of 2011 was 266 (196 during the same period in 2010). Of them, 128 (101 during the same period in 2010) were actual attacks. Of them, 29 (31 during the same period in 2010) were cases hijacked, and 99 (70 during the same period of 2010) were cases boarded. There were 138 (95 during the same period in 2010) attempted attacks. Of them, 76 (48 during the same period in 2010) were cases fired upon, and 62 (47 during the same period of 2010) were cases attempted. However, the IMB is regarding there are a great number of the unreported cases apart from the reported cases, advising the shipping owners and captains of the ships to report all piratical attacks and suspicious movements of the crafts to the bureau.

The number of 266 attacks noted during the first part of 2011 showed a remarkable increase, compared with the number of 196 attacks (445 attacks throughout the year) noted during the same period in 2010. The trends of attacks during each first half of the recent six years are as shown in the Table 1. Looking at the attacks by location, of 266 attacks, 218 attacks which occupy 82% of the total have occurred in the seven locations below. Looking at the attacks in order of a higher frequency, as shown in Table 2, there are 125 attacks off Somalia (including the Indian Ocean), 21 attacks in Indonesia, 20 attacks in the Gulf of Aden, 18 attacks in the Red Sea, 12 attacks in Benin, 11 attacks in the South China Sea, and 11 attacks in Malaysia (off east coast).

According to the Report, the number of incidents (attacks) in the Gulf of Aden, off Somalia (including the Indian Ocean), and the Red Sea in the surrounding waters of the “Horn of Africa” totals 163, which distinctly indicates a large number of attacks attributed to piracy. According to the Report, of 163 attacks, 21 hijacked incidents (one in the Gulf of Aden and 20 off Somalia, including the Indian Ocean), 14 boarded incidents (one in the Gulf of Aden, 13 off Somalia, including the Indian Ocean) were noted. 361 seafarers have been taken hostage and three have been injured and seven killed. As of 30 June 2011, the Somali pirates held 20 vessels for ransom with 398 crew members as hostages. Naval vessels from respective nations are deployed to waters in the Gulf of Aden. Additionally, the Report evaluates that attacks have increased but successful hijackings have reduced due to the efforts and actions by the navigating vessels and the hardening and other preventive measures as well as evasive maneuvers taken by vessels in accordance with anti-piracy manual, the Best Management Practices (BMP). On the other hand, according to the Report, Somali pirates continue to threaten an extended geographical region – from the southern part of the Red Sea in the west to 76 degrees East longitude and beyond in the east. Incidents have also been reported off the coast of Oman/Arabian Sea in the north extending southward to 22 degrees South. The area has been expanded further, compared with the same period in 2010. In these waters Somali pirates are also using hijacked ocean going fishing vessels and merchant vessels as “mother boats” to conduct piracy operations.

On the other hand, as shown in Table 1, in Southeast Asia, there were 11 attacks (seven boarded attacks, one hijacked attack, and three attempted attacks) in the South China Sea, which is decreasing, compared with 15 attacks (one hijacked attack, nine boarded attacks, two fired upon attacks and three attempted attacks for boarding) during the same period in 2010. As shown in Table 3, all attacks in the South China were made while the vessels were steaming, which occurred most frequently in the vicinity off Anambas, Natuna, Mangkai islands, Subic Besar, and Merundun area. There were 21 attacks (20 actual attacks and one attempted attack) in Indonesia, which have been increasing, compared with 16 attacks (11 actual attacks and five attempted attacks) during the same period in 2010. However, most attacks were boarding while vessels were berthed or anchored, which were robberies at a low level.

2. Characteristics viewed from Activities

The Table 2 shows the status of attacks by location noted frequently in the areas in Asia and others during the first half of 2011. Table 3 shows the status of the ships during attacks by location noted in the first half of 2011.

According to these data, the feature of the attacks by Somali pirates is clear. The incidents, including the attempted cases, by Somali pirates in the Gulf of Aden, Red Sea, Arabian Sea, and off Somalia including the Indian Ocean, occurred while the ships were steaming. These incidents show the feature of Somali pirates that they attack the steaming ships by “mother vessels” and skiffs – small high speed boats.

On the other hand, in case of Southeast Asia, as for a posture of attacks, most were boarded attacks, and in most cases they were attacked while the ships were anchored. In case of the

incidents in the South China Sea, according to the report, three tugs and barges were hijacked by armed pirates in the waters off Tioman, Malaysia and off Natuna/Anambas, Indonesia. As shown in Table 1 and Table 2, there were 50 attacks (44 actual attacks and six attempted attacks) in Indonesia, Malaysia, the Singapore Straits, and the South China Sea in the first half year of 2011. The number of these attacks is surpassing that of 41 attacks (29 actual attacks and 12 attempted attacks) during the same period in 2010, and that the actual attacks have been increasing. In the actual attacks, in addition to three hijacked attacks (four attacks during the same period in 2010) there were 41 boarded attacks (25 boarded attacks during the same period in 2010).

On the other hand, in the first half of 2011, there were eight locations where more than three incidents were reported in ports and anchorages, totaling 37 incidents. This shows an increase in locations and incidents, looking from five locations and a total of 24 incidents during the same period in 2010. According to the Report, eight locations in the first half year of 2011 include Cotonou, Benin with 11 Incidents (attacks), Jakarta/Tg. Priok, Indonesia with five attacks, Chittagong, Bangladesh, Cochin, India, and Dumai, Indonesia with four attacks respectively, and Lagos, Nigeria, Puerto Limon, Venezuela, and Samaarinda, Indonesia with three attacks respectively.

As for the types of vessels attacked (including those of attempted attacks) during the first half of 2011, the highest number of 61 (30 during the same period in 2010) attacks, including attempted attacks, were recorded on bulk carriers. The following are 56 (51 during the same period in 2010) chemical/product tankers, 35 (33 during the same period in 2010) containers, 21 (five during the same period in 2010) tugs, 20 (23 during the same period in 2010) general cargoes, and others. According to the Report, chemical tankers, product tankers, containers, bulk carriers, and general cargoes occupy the greater part of the vessels which were hijacked in the past six years. The vessels hijacked by Somali pirates include all types of vessels. The report points out that the vessels attacked were targets of opportunities, and pirates did not necessarily target the specific vessels by type.

Looking at the ships attacked by nationality, of all incidents of 266 cases in the first half of the year 2010, 42 (40 during the first half of 2010, 80 throughout the year) were Panama-flagged vessels, 29 (28 during the first half of 2010, 58 throughout the year) were Liberia-flagged vessels, 28 (18 during the first half of 2010, 36 throughout the year) were Marshall Islands-flagged vessels, 21 (22 during the first half of 2010, 40 throughout the year) were Singaporean-flagged vessels. Nineteen (10 during the first half of 2010, 19 throughout the year) were Malta-flagged vessels. Eleven (5 in the first half of 2010, 18 throughout the year) were Hong Kong-flagged vessels. In case of Japanese-flagged vessels, in the past six years, two vessels were attacked (throughout the year) in 2008, and one vessel were attacked (throughout the year) in 2007. One vessel was attacked during the first half of 2011.

On the other hand, looking at the operational status of the ships attacked by nationality of the countries where victim ships controlled / managed, the highest number falls on Germany with 33 (28 during the first half of 2010, 69 throughout the year) vessels. Germany is followed by Singapore with 32 vessels (31 during the first half of 2010, 54 throughout the year), Greece with

31 (17 during the first half of 2010, 46 throughout the year), Hong Kong with 17 (6 during the first half of 2010, 16 throughout the year), Japan with 12 (8 during the first half of 2010, 23 throughout the year), India with 11 (5 during the first half of 2010, 14 throughout the year), Malaysia with 10 (7 during the first half of 2010, 14 throughout the year), UAE with 10 (8 during the first half of 2010, 17 throughout the year), and Denmark with 10 (4 during the first half of 2010, 9 throughout the year) among others.

3. Types of violence to crew and peculiarities of weapons used

Looking at the status of violence to crew, as shown in the Table 4, in the past three years, the incidents in which the crews were taken hostage have dramatically increased, which occupies a greater part of violence. During the first half year of 2011, 495 persons were taken hostage, which is slightly decreasing, compared with the same period in the last year. On the other hand, looking from locations where violence occurred, they are concentrated in four maritime areas. Of 495 hostage incidents, eight persons (186 persons during the same period in 2010; 275 persons throughout the year) in the Gulf of Aden and 353 persons (358 persons during the same period in 2010; 723 persons throughout the year) in Somalia, totaling 361 (544 persons during the first half of 2011; 1,016 throughout the year) in the area around “Horn of Africa,” occupy a greater part of hostage incidents by Somali pirates. Looking at violence, this area abounds in many cases of demanding ransom for the hostages, which shows a peculiarity of the attacks by Somali pirates. The other locations of many hostage incidents were in the Southeast Asian areas – eight in Indonesia, 38 in Malaysia, and 22 in the South China Sea.

Table 5 shows types of arms used by pirates in the incidents occurred during the respective first half year of the recent six years. Looking at this chart, you will find few changes in the trend that guns and knives are major arms of pirates for the past six years. On the other hand, looking at the types of arms to be used by pirates by location, of 160 attacks in which guns were used, 17 cases in the Gulf of Aden, 15 cases in the Red Sea, and 103 cases in Somalia are noted. The incidents by Somali pirates occupy a greater part of the incidents. This will make us find how dangerous the Somali pirates armed with AK-47 rifles and RPG-7 rocket weapons are. In case of Southeast Asia, knives, not guns, are mainly used. In Indonesia, of 21 cases, one gun, six knives, and 14 cases not stated were noted. In Malaysia, of 11 cases, three guns, five knives, and four cases not stated were noted. In case of the South China Sea, of 15 cases, five guns, seven knives, three cases not stated were noted. In case of South China Sea, of 11 cases, seven knives, and four cases not stated were noted.

(By Hideshi UENO, editorial staff of OPRF MARINT Monthly Report)

Table 1: Trends of incidents (including the attempted cases) that occurred frequently in Asia and other areas Report during the first half of the recent six years respectively.

Locations	2011	2010	2009	2008	2007	2006
Indonesia	21	16	3	13	24	33
Malacca Straits		1	2	2	2	3
Malaysia	11	9	9	6	6	9
Philippines	1	2	1	4	1	2
Singapore Straits	7	1	2	2	3	3
Thailand/Gulf of Thailand		1	1		2	1
South China Sea	11	15	7		1	1
Vietnam	4	7	5	3	3	1
Bangladesh	4	8	5	7	5	22
India	5	4	6	7	5	3
Gulf of Aden *	20	33	100*	19*	7	9
Somalia	125	51	44	5	17	8
Red Sea **	18	14				
Nigeria	6	6	13	18	19	7
Tanzania		1	5	7	7	1
Arabian Sea ***		2	1		4	1
Indian Ocean ****			1			
Oman *****			2			
Sub Total for six months	266	196	240	114	126	127
Total at year end		445	406	293	263	239

Source: Made from Table 1 in the Report during the first half of 2011, pp.5-6. The total of the incidents covers all areas targeted in the Report.

Remarks: *: Gulf of Aden; **: Red Sea; ***: Arabian Sea; ****: Indian Ocean; *****: Oman - All of the above attacks are attributed to Somali pirates.

Table 2: Status of attacks noted frequently in areas in Asia and others during 1st half of 2011

Location	Actual Attacks		Attempted Attacks	
	Boarded	Hijacked	Fired Upon	Attempted Boarding
Indonesia	19	1		1
Malaysia	9	1		1
Myanmar	1			
Philippines	1			
Singapore Straits	6			1
South China Sea	7	1		3
Vietnam	4			
Bangladesh	4			
India	5			
Gulf of Aden *		1	12	7
Red Sea **	1		6	11
Somalia	13	20	56	36
Sub Total	99	29	76	62
Total	266			

Source: Made from Table 2 in the Report during the first half of 2011, p. 9. The total of the incidents covers all areas targeted in the Report.

Remarks: *: Gulf of Aden; **: Red Sea; *** - All of the above attacks are attributed to Somali pirates.

Table 3: The status of the ships during attacks by location noted in the first half of 2010

Location	Actual			Attempted		
	B	A	S	B	A	S
Indonesia		17	3	1		
Malaysia		4	6			1
Myanmar		1				
Philippines		1				
Singapore Straits			6			1
South China Sea			8			3
Vietnam		4				
Bangladesh		4				
India		5				
Gulf of Aden *			1			19
Red Sea **			1			17
Somalia			33			92
Sub Total		65	63	1	2	135
Total		128		138		

Sources: Made from Table 3 and Table 4 in the Report during the first half of 2011, p. 10-11.

The total of the incidents covers all areas targeted in the Report.

Remarks: B = Berthed, A = Anchored, S = Steaming

*: Gulf of Aden; *: Red Sea; **: All of the above attacks are attributed to Somali pirates.

Table 4: Types of violence to crew in the first half of a year throughout the recent 6 year-period

Types of violence	2011	2010	2009	2008	2007	2006
Hostage	495	597	561	190	152	156
Kidnapped	13	3	7	6	41	13
Threatened	21	9	6	4	3	9
Assaulted	4	1	3	5	20	2
Injured	39	16	19	19	19	12
Killed	7	1	6	7	3	6
Missing			8	7		
Sub Total	579	627	610	238	238	198
Total		1,270	1,166	1,011	438	317

Source: Made from Table 8 in the Report, p. 12, in the Report during the first half of 2011.

Table 6: Types of arms used by pirates during all attacks during 1st half of a year throughout the recent 6 years

Types of Arms	2011	2010	2009	2008	2007	2006
Guns	160	100	151	39	37	34
Knives	35	35	36	31	29	41
Other weapons	3	2		2	5	6
Not stated	68	59	53	42	35	46
Total	266	196	240	114	126	127

Sources: Made from Table 6 in the Report, p. 11, in the Report during the first half of 2011.

2.2 Piracy and Armed Robbery Against Ships

in Asia in 1st Half of 2011

~from ReCAAP Half Yearly Report~

In late July, the Information Sharing Center (ISC) of the Regional Cooperation Agreement on Combating Piracy and Armed Robbery Against Ships in Asia (ReCAAP) which was established, based on ReCAAP, issued a Half Yearly Report (January–June 2011) which deals with incidents of piracy and armed robbery against ships. (ReCAAP is an abbreviation of the Regional Cooperation Agreement against Piracy.)

While the similar report of the International Maritime Bureau (IMB) covers world-wide areas, the ReCAAP's report covers the regional areas stretching from the Arabian Sea to northeast Asia via southern rim of the Eurasian continent. In addition, while the IMB makes use of reports from non-government vessels and shipping owners as its main sources of information, the ReCAAP's information sources are connecting the member-nations with Focal Point in Hong Kong and Singapore-based Information Sharing Center (ISC), which is an Information Sharing Web composed of mutual connections with Focal Point. The focal points of the respective nations are located in the coast guard, maritime police, ministry of agency in charge of marine transportation and maritime affairs, and/or navy. (In case of Japan, the focal point is located in Japan Coast Guard.) Also, the focal points of the respective nations are coordinating with the law enforcement agencies, navy, port authorities, custom authorities, and shipping circles among others of the nations concerned. Moreover, the ReCAAP is using data from the International Maritime Organization (IMO), IMB, and others.

At present, 17-member ReCAAP consists of 14 regional nations of India, Sri Lanka, Bangladesh, Myanmar, Thailand, Singapore, Cambodia, Laos, Vietnam, Brunei, Philippines, China, Republic of Korea and Japan plus three non-regional nations of Norway (joined in August 2009), Denmark (joined in July 2010), and the Netherlands (joined in November 2010). Although Malaysia and Indonesia are non-members, they are conducting exchanges of information with the ISC.

The following are the patterns and trends of the incidents of piracy and armed robbery against the ships viewed from the ReCAAP report noted in the Asian region during the first half of 2011 (January 1–June 30) (hereafter the Report).

1. Definition of Piracy and Armed Robbery

Regarding the definition of Piracy and Armed Robbery, the ISC in ReCAAP accepts the “definition of piracy” in Article 101 of the United Nations Convention on the Law of the Sea (UNCLOS). As for the armed robbery against the vessels, the ISC accepts the definition of the “Code of practice for the Investigation of the Crimes of Piracy and Armed Robbery against Ships”

which was adopted by the International Maritime Organization (IMO) in its Assembly session in November 2001. Piracy and Armed Robbery are stipulated in Article 1 Definitions in the ReCAAP Agreement respectively.

2. Characteristics viewed from numbers and locations of actual and attempted incidents

According to the Report, a total of 82 (71 during the same period in 2010; 164 throughout the year) incidents (attacks/cases) of piracy and armed robberies against ships were reported during the first half of 2011. Of these, 70 (58 during the same period in 2010; 164 throughout the year) were actual incidents, and 12 (13 during the first half year in 2010; 31 throughout the year) were the attempted incidents. Table 1 shows the numbers of incidents in each first half year in the past five years, which occurred in the ReCAAP targeting area. According to the Report, the number of incidents in the past three years has remained fairly constant as a whole. However during the first half year in 2011, the incidents have increased by 10 cases compared to the same period in 2010. It is due to an increase of incidents in Indonesia and the Straits of Malacca and Singapore.

Table 1: Total number of incidents by location in 1st half of each of past five years

	2011.1-6		2010.1-6		2009.1-6		2008.1-6		2007.1-6	
	Act	Att	Act	Att	Act	Att	Act	Att	Act	Att
East Asia										
China			1							
Sub Total			1							
South Asia										
Arabian Sea		3							1	3
Bangladesh	5		9	2	4	1	6	2	5	
Bay of Bengal		1	1						1	
India	6		5		4		7	1	3	
Sub Total	11	4	15	2	8	1	13	3	10	3
Southeast Asia										
Gulf of Thailand			1							
Indonesia	22	1	13	6	3	2	8	1	18	5
Malaysia	8		9		8	1	4		4	1
Myanmar					1					
Philippines	3		1		2	1	3	1		1
Singapore	1									
South China Sea	8	6	10	3	7		3	1	1	1
Straits of Malacca & Singapore	13	1	2	2	3		2	3	1	1
Thailand					1				1	
Vietnam	4		7		5		3		3	

Sub Total	59	8	43	11	30	4	23	6	28	9
Total	70	12	59	13	38	5	36	9	38	12
Overall Total	82		72		43		45		50	

Source: Made from data in ReCAAP ISC Half Yearly Report (January 1–June 30, 2011), Table 1, p.7.

Remarks: Act = Actual Incidents, Att = Attempted Incidents

3. Evaluation on significance of incidents

The most distinctive characteristic of the ReCAAP report is that the ISC evaluates significance of each incident in terms of two factors – violence factor and economic factor and classifies each case into a Category.

In evaluation of the violent factor the report uses as criteria (1) types of weapons used (violence is the most forceful when more highly efficient weapons than knives and others are used; (2) treatment of the crew (violence is the most intensive if the crew are killed or kidnapped); and (3) numbers of the pirates /robbers who engaged in an attack (in this case, the more the numbers are, the greater the violence develops, and the organized crime will possibly increase.)

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 classifies each Category as follows.

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

Table 2 classifies the actual incidents noted during the first half of each of past five years into one of three Categories. Of CAT-1 incidents during the first half of 2011, three incidents were hijackings of tugboats. According to the Report, tug boats are vulnerable targets as they tend to operate nearer to coast, slow moving, with low free board and less crew on board.

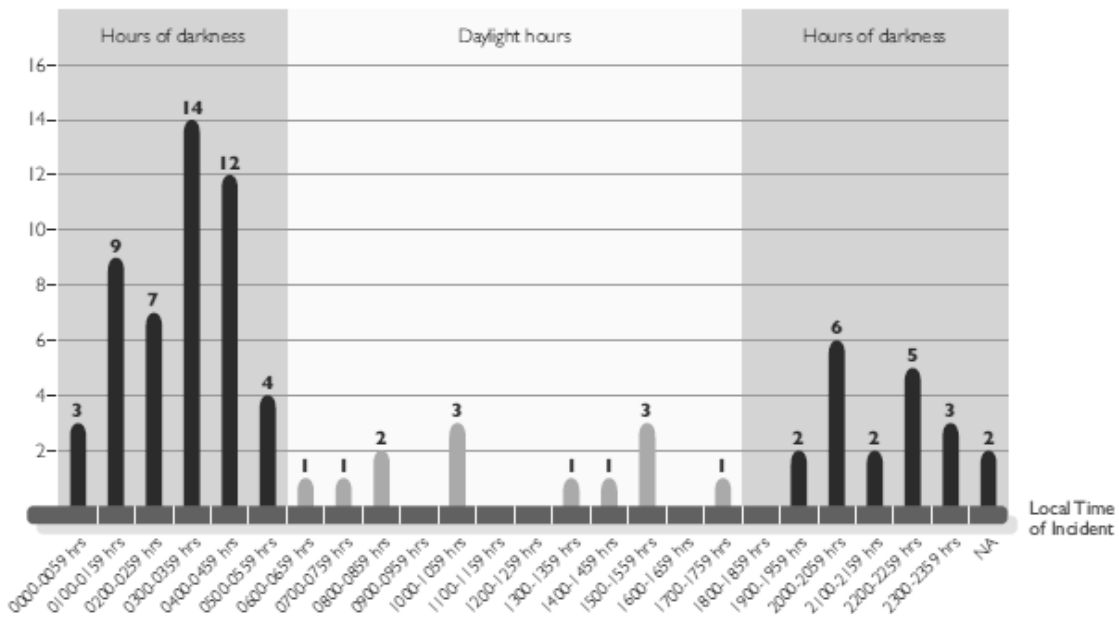
Table 2: Number of actual incidents by Categories in 1st half of each of past 5 years

	2011.1-6	2010.1-6	2009.1-6	2008.1-6	2007.1-6
CAT 1	4	3	3	3	2
CAT 2	20	22	16	9	6
CAT 3	46	34	19	24	30

Source: Made from data in ReCAAP Half Yearly Report (January 1–June 30, 2011), Table 1, p.7

Time of incidents in ReCAAP’s responsible areas is shown below.

Time of Incidents



According to the Report, about 84% of the total number of incidents occurred during hours of darkness when it was difficult for the crew to detect the armed robbers’ boats approaching the vessels. Notably, the highest number of incidents was reported during a time zone between 0300 hrs and 0459 hrs. Of the 13 incidents during daylight hours, four incidents occurred in the South China Sea, three in the Arabian Sea (incidents by Somali pirates), and six in other locations, namely, Bay of Bengal, Bangladesh, India, Indonesia, Straits of Malacca and Singapore and Vietnam.

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