

OPRF MARINT Monthly Report

September 2011



CONTENTS

Intelligence Summary in September 2011

1. Information Digest

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

2. Intelligence Assessment

U.S. Annual Report to Congress:

“Military and Security Developments Involving the People's Republic of China 2011”

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 September 2011.

Publisher: Masahiro Akiyama

Staff writers:

Kazumine Akimoto, Takehisa Imaizumi, Masami Kawamura, Aki Mori, Wakana Mukai,
Eiji Sakai, Daisuke Sekine, Takehisa Tomomori, Hideshi Ueno, Yuko Takada

All rights reserved.

This report, or parts thereof, must not be produced in any form without permission in writing of the publisher.

Intelligence Summary in September 2011

Maritime Security: Seven hijacked vessels were released. The warship of the Royal Navy of Oman (RNO) freed by force the Indian dhow hijacked by Somali pirates on the early morning of the 6th. The dhow was Indian ship *Tiba-2 Halima*, which was hijacked by Somali pirates off Ras Al Hadd on September 1. During the armed liberation, of 12 Indian crew members, two were dead and six were injured. On the 6th, Somali pirates released a Liberian flagged container ship, MSC *Panama* (1,743TEU). One Somali pirate was dead. Somali pirates released a Yacht owned by a Dane on the 7th. The yacht SY *ING* was hijacked in the Arabian Sea on February 24. On board the yacht were a total of seven persons consisting of Danish family members (man and wife with three children), along with two Danish crew members. They are reportedly in good health. According an announcement of the EUNAVFOR, Spanish frigate SPS *Galicia* captured seven Somali pirate suspects who were involved in kidnapping a French couple, and rescued Mrs. Colombo (wife) on the 10th. On the 16th, Somali pirates released the Mongolia flagged bulk carrier MV *Hoang Son Sun* owned by the Vietnamese shipping company. On the 28th, Somali pirates freed the Cyprus-flagged, Greek-owned bulk carrier MV *Eagle*. On the 30th, Somali pirates freed the Panama-flagged, Greek-owned bulk carrier MV *Dover*.

The Seoul government is striving to strengthen measures to ensure the safety of South Korean sailors aboard foreign ships as Somali piracy targeting its citizens continues, a Korean government official said on the 4th. As part of efforts to protect them, the government has encouraged Korean sailors to report to the Land, Transport and Maritime Affairs Ministry the names of their vessels, the list of Korean sailors on the foreign ships and their traveling routes, when they cruise through risky routes. The government has also urged Korean sailors to ask their firms to install a citadel and civilian security staff.

On the 9th, the four international shipping associations -- the International Chamber of Shipping (ICS), the Baltic and International Maritime Council (BIMCO), the International Cargo (INTERCARGO) and the International Association of Independent Tankers Owners (INTERTANKO), said they had urged in a letter to the United Nations Secretary-General Ban Ki-moon to create an armed military force to be deployed on navigating vessels to combat Somali piracy.

On the 21st, Saudi Arabia presented a cheque for US\$100,000 to the IMO Djibouti Code Trust Fund to boost the IMO-led project to implement the Code of Conduct signed in Djibouti in January 2009 (Djibouti Code of Conduct).

Military Developments: The new Borey class nuclear-powered ballistic missile submarine (SSBN) *Yury Dolgoruky* will be deployed to the Pacific fleet in 2011, The two next Borey-class submarines, the *Vladimir Monomakh* and *Aleksandr Nevsky*, are also to join the Pacific fleet after they are commissioned, replacing the older *Delta-III* class SSBNs in the Pacific. After 18 years of the start

of construction, Russia's first *Graney*-class nuclear powered submarine (SSN) set course to the White Sea on September 12 for the first sea trials. If the sea trails are successful, *Severodvinsk* is expected to enter service with the navy by the end of this year. *Severodvinsk* is the first of Russia's new fourth generation multi-purpose submarines (SSN) of the *Graney*-class. The submarine is the most heavily multi-armed submarine put to sea since the *Oscar-II* class. Fully armed, the submarine can carry 24 cruise missiles and eight torpedo launchers. The cruise missiles onboard can be both tipped with conventional warheads or nuclear warheads.

On the 5th, the Singaporean newspaper, *The Straits Times* (Online) , carried an article of the military staff writer, in which the author reports that China is intending to establish a fourth fleet centered by the aircraft carrier for the People's Liberation Army Navy (PLAN). Pointing out a possibility that a fourth fleet centered by the *Varyag* is newly established, the author predicts a large scale of conversion of the navy, as it is planning to build plural carriers.

On the 17th, the first of Navy's joint high-speed vessels (JHSVs) designed for rapid intra-theater transport of troops and military equipment was christened USNS *Spearhead* during a ceremony. Belonging to the Military Sealift Command (MSC), the JHSVs are aluminum catamarans designed to be fast, making them ideal for transporting troops and equipment quickly within a theater of operations. The JHSVs are capable of transporting 600 short tons of military troops, vehicles, supplies and equipment 1,200 nautical miles at an average speed of 35 knots.

On the 19th, India and Sri Lanka kicked off their first major naval combat exercise in six years off Trincomalee on the north-east coast of Sri Lanka. The purpose of the exercise is to boost interoperability between the two forces.

On September 18 ~ 23, the Bangladesh and U.S. Navies conducted five days of maritime safety and security exercises - Cooperation Afloat Readiness and Training (CARAT) Bangladesh 2011. It marks the first time Bangladesh has participated in the 17 year-old CARAT exercise series, which the U.S. Navy conducts with navies of seven other Southeast Asian nations.

On the 19th, the defense ministries of Vietnam and the U.S. held talks in Washington D.C. First held in Hanoi in 2010, the second annual defense policy dialogue between Vietnam and the U.S. agreed to promote defense cooperation in the field of five priorities, including sea security.

On the 20th, the U.S. newspaper, *The Washington Post*, carries an article that the Obama administration is assembling a constellation of secret drone bases for counterterrorism operations in the Horn of Africa and the Arabian Peninsula, reporting on the status of operations of the drone of MQ-9 Reapers in Seychelles and others.

South China Sea-related Events: Visiting China on August 30 ~ September 3, Philippine President Benigno S. Aquino III had a meeting with his Chinese counterpart, President Hu Jintao, on the 1st. According to the joint communiqué issued after the top meeting, the two leaders exchanged opinions on the conflict over the ocean, and agreed that this issue will not bring out bad influence on the global friendly relations between the two countries. The two leaders confirmed their commitment to addressing the disputes through peaceful dialogue. During this time the Philippines-China Economic and Trade Forum was also held, and two

nations agreed to promote economic cooperation.

On the 7th, the Philippine government announced another military spending spree of the 4.95 billion pesos (\$118 million). The budget will be spent to buy a navy patrol vessel and six helicopters as well as various military supplies, which is the measure for strengthening military capabilities necessary for territorial defense, including providing a strong security perimeter for the Malampaya Natural Gas and Power Project and its the surrounding waters.

On the 11th, the Philippine Executive Secretary announced that Philippine President Benigno Aquino III signed Executive Order (EO) No. 57 to create the National Coast Watch System (NCWS) that would help protect Philippine territory in the West Philippine Sea (also South China Sea) from maritime threats. The NCWS is a core inter-agency body which has coordinating functions on maritime issues and security operations, with the secretaries of the Departments of National Defense (DND), Transportation and Communications (DOTC), Foreign Affairs (DFA), the Interior and Local Government (DILG), Justice (DOJ), Energy (DoE), Finance (DOF), Environment and Natural Resources (DENR) and Agriculture (DA) as members.

On the 14th, Indonesia and Vietnam agreed to establish joint patrols on their maritime border to improve security in the disputed South China Sea.

On the 15th, India dismissed Chinese objections over its oil exploration projects in two Vietnamese blocks in the disputed South China Sea, saying its cooperation with Vietnam was as per international laws and it would like the cooperation to grow. Reacting to this move, on the 16th, the Chinese Foreign Ministry spokesman refused to join issue with India over its assertion to go ahead with oil exploration cooperation with Vietnam in the South China Sea despite Beijing's objections. On the other hand, the state-run newspaper, *Global Times* said the move constituted "serious political provocation" and should be "resolutely stopped." On the 16th, Vietnamese Foreign Ministry Spokesperson stressed that the joint exploration program between Vietnam and foreign partners in the fields of oil and gas located in the exclusive economic zone (EEZ) of Vietnam is completely under the sovereignty, sovereign rights and jurisdiction of Vietnam.

On September 27, H.E. Mr. Benigno S. Aquino III, President of the Republic of the Philippines, who was on a visit to Japan, held a summit meeting with Japanese Prime Minister Yoshihiko Noda at the Prime Minister's Office. After the meeting two leaders signed the "Japan-Philippines Joint Statement on the Comprehensive Promotion of the 'Strategic Partnership' between Neighboring Countries Connected by Special Bonds of Friendship (hereinafter the Joint Statement)." Regarding maritime security, the Joint Statement confirmed anew that two countries of Japan and the Philippines are maritime nations that commonly share the sea lines of communications, and it is necessary that they should strengthen bilateral cooperation in maritime areas. Additionally, regarding maritime security, two leaders confirmed that the South China Sea is vital, and that peace and stability therein is of common interest to the international community. As leaders of countries sharing sea lines of communication, they also confirmed that freedom of navigation, unimpeded commerce, and compliance with established international law including the UNCLOS and the peaceful settlement of disputes

serve the interests of the two countries and the whole region. They shared the recognition that these same interests should also be advanced and protected in the South China Sea.

Diplomacy and International Relations: On the 3rd, regarding the Chinese research ship that entered Colombo, Sri Lanka navy spokesman said, “We have not found any suspicious equipment on board any Chinese vessels.” The spokesman denied any doubt about the ship. The Indian Navy sources said the Chinese ship was mapping the Indian Ocean and collecting Bathymetric data, which is indispensable to submarine and aircraft carrier based operations.

Contributing an article titled “Asia's Great Naval Rivalry” to the U.S. newspaper, *The Wall Street Journal*, on the 5th, Professor Mohan Malik at the Asia-Pacific Center for Security Studies, Honolulu, mentions in it that, in consideration of present situation in which the Chinese and Indian navies are showing off their flags in the Indian Ocean and the South China Sea respectively, competing for geopolitical influence, the author is advocating a naval conference of major stakeholders in the Indian and Pacific Oceans by the respective nations concerned to avoid the future clashes.

Contributing an article titled “The 9/11 Decade” to the Center for a New American Security (CNAS) Commentary dated the 6th, the Robert Kaplan – a journalist at the U.S. journal, *The Atlantic*, and senior fellow of the U.S. think tank, CNAS - said in it that after 10 years since September 11, we are entering a multi-polar world in a military sense, and a power shift has gone unnoticed in Asia. Kaplan points out: (a) Ironically, by dampening the American desire for ground interventions, the Iraq War will enhance American national power over the long haul by allowing the United States to concentrate on projecting naval and air power in the maritime Indo-Pacific region. (b) That might turn out to be the ultimate legacy of 9/11.

On the 15th, Australia and the United States held the annual Australia-U.S. Ministerial Consultations, called AUSMIN, in San Francisco, California. In the AUSMIN attended the U.S. Defense Secretary Leon E. Panetta and Secretary of State Hillary Rodham Clinton and their Australian counterparts, Foreign Minister Kevin Rudd and Defense Minister Stephen Smith. After the meeting, the leaders released a 2011 Joint Communiqué, in which they confirmed that the U.S.-Australia alliance is an anchor in the Asia-Pacific Region and two nations should further cooperate toward an accomplishment of the objective of developing the strategic environment in the Indian and Pacific Oceans.

On the 16th, Ashley S. Townshend, research associate at the Lowy Institute for International Policy, Sydney, and a former visiting fellow at the Strategic and Defence Studies Centre, Australian National University, contributed an article titled “Unraveling China’s ‘String of Pearls’” to the U.S. online journal, Yale Global. Regarding China’s “String of Pearls,” the author is pointing out that: (a) it would be difficult for China to militarized ‘String of Pearls;’ (b) reliance on maritime transport of energy is regarded to be a strong motive for maintaining maritime security for Beijing as well as the United States, India and other maritime nations; (c) the greatest task in Asia is not to build naval forces against confrontations but to reduce tension in the ocean to keep order in the theater.

Shipping, Shipbuilding and Harbors: A growing number of oil tankers are dropping anchor as the rate of ship construction outpaces global oil demand. While the construction of global crude tanker fleet, which includes Very Large Crude Carriers, or VLCCs, increased by 9.1% in 2011 compared with the previous year, oil demand is forecast to grow only 1.4% this year.

Ocean Resources, Energy, Sea Environment and Others: On the 17th, China announced plans to expand its seabed mineral explorations in the Indian Ocean. Beijing already got approval from International Seabed Authority (ISA) to explore 10,000 sq km seabed area in the South West Indian Ocean Ridge for the ore in July. The China Ocean Mineral Resources and Development Association (COMRA) will sign a 15-year exploration contract with International Seabed Authority (ISA) by the end of 2011.

Intelligence Assessment: On August 4, the U.S. Department of Defense (DOD) released the Annual Report to Congress: “Military and Security Developments Involving the People’s Republic of China 2011 (hereinafter the Report).” This document is the tenth annual report on the overall list, which is the third issue during the Administration of the President Barack Obama as well as the second issue since the title of the report was changed into the one above-mentioned. The current report has 83 pages in all, which is the same as the last year edition, and its composition and orders of chapters, including the subjects, are also the same. The contents of the Report have been updated based on the developments in the past twelve months. The feature of the Report is that two topics of China’s Evolving Maritime Strategy and China’s Military Engagement have been taken up as the Special Topics. In the Report, looking from the content of an overall description, the alert for the trends of Chinese military power which lacks transparency is common to the one in the reports during the Administration of President George W. Bush. On August 24, briefing Pentagon reporters on the Report, Michael Schiffer, deputy assistant secretary of defense for East Asia, said that, although the Chinese have made some incremental improvements in transparency in recent years, a number of uncertainties remain. Schiffer stressed, “We will continue, and we do continue, to encourage China to improve transparency and openness, to act in ways that support and strengthen common political, economic and diplomatic interests of the region and of the international community.” In the intelligence assessment we have pointed out the major characteristics in the current Report, looking from the areas of our interest in this OPRF monthly report.

1. Information Digest

1.1 Maritime Security

September 4 “Seoul seeks protection for Korean sailors on foreign ships” (The Korea Herald, September 4, 2011)

The Seoul government is striving to strengthen measures to ensure the safety of South Korean sailors aboard foreign ships as Somali piracy targeting its citizens continues, a Korean government official said on the 4th. As part of efforts to protect them, the government has encouraged Korean sailors to report to the Land, Transport and Maritime Affairs Ministry the names of their vessels, the list of Korean sailors on the foreign ships and their traveling routes, when they cruise through risky routes. The government has also urged Korean sailors to ask their firms to install a citadel and civilian security staff.

An outline of the article: The Seoul government is striving to strengthen measures to ensure the safety of South Korean sailors aboard foreign ships as Somali piracy targeting its citizens continues, a Korean government official said on the 4th. Following a recent series of piracy cases involving its nationals, it has toughened security rules on South-Korean registered vessels using maritime routes where piracy is rampant. But it was not able to directly demand that foreign ships improve protection measures. Instead, it has urged a network of Korean sailors to seek ways to demand their firms provide better protection. The government has stepped up such efforts in recent months since a Singaporean-registered ship carrying 25 crew members including four Koreans was seized by Somali pirates some 200 miles southeast of Mombasa, Kenya on April 30. At present, some 4,000 Korean sailors are working for foreign firms. As part of efforts to protect them, the government has encouraged Korean sailors to report to the Land, Transport and Maritime Affairs Ministry the names of their vessels, the list of Korean sailors on the foreign ships and their traveling routes, when they cruise through risky routes. The government has also urged Korean sailors to ask their firms to install a citadel and civilian security staff. Since Korean chemical freighter was hijacked on January 15 and was rescued six days later after it was seized, Korean firms have strengthened their protection measures. Some observers said that due to such measures, Somali pirates seem to have changed their targets from Korean ships to foreign vessels carrying South Korean sailors. Another reason Seoul wants to see better security measures for foreign ships is that it cannot actively engage in negotiations with pirates when a piracy case occurs to foreign vessels carrying its citizens.

Refer to the article: Seoul seeks protection for Korean sailors on foreign ships

<http://www.koreaherald.com/national/Detail.jsp?newsMLId=20110904000209>

Note: Regarding the incident on April 30, refer to the OPRF MARINT Monthly Report, April 2011, 1. 1 Maritime Security. And regarding the incident on January 15 and rescue operation six days later, refer to the OPRF MARINT Monthly Report, January 2011, 1. 1 Maritime Security.

September 6 “Oman navy frees dhow by force” (Gulf News.com, September 7, 2011)

The warship of the Royal Navy of Oman (RNO) freed by force the Indian dhow hijacked by Somali pirates on the early morning of the 6th. The dhow was Indian ship *Tiba-2 Halima*, which was hijacked by Somali pirates off Ras Al Hadd on September 1. During the armed liberation, of 12 Indian crew members, two were dead and six were injured. One Somali pirate was dead.

An outline of the article: According to a statement issued by the Oman’s Ministry of Defense, a warship of the Royal Navy of Oman (RNO) freed by force the Indian dhow hijacked by Somali pirates on the early morning of the 6th. The dhow was Indian ship *Tiba-2 Halima*, carrying 4,000 goats. It was hijacked by Somali pirates off Ras Al Hadd on September 1. Somali pirates had converted the dhow into a pirate mother ship when RNO warship SNV *Musandam* on routine patrol of the area spotted it. During the armed liberation, of 12 Indian crew members, two were dead and six were injured. One Somali pirate was dead. Challenged by the warship, the pirates used the crew members of the dhow as “human shields” and attempted to flee. When the naval vessel fired at the boom ship, the pirates immediately surrendered.

Refer to the article: Three killed in rescue of hijacked dhow off Oman

<http://gulfnews.com/news/gulf/oman/three-killed-in-rescue-of-hijacked-dhow-off-oman-1.86286>

4



The rescued Indian dhow, *Tiba-2 Halima* docked at the Sur harbour, Oman

Source: Times of Oman, September 8, 2011

September 6 “Somali pirates free Liberian ship” (The Journal of Commerce, September 8, and EU NAVFOR Public Affairs Office, Press Release, September 9, 2011)

On the 6th, Somali pirates released a Liberian flagged container ship, MSC *Panama* (1,743TEU). She was pirated on December 10, 2010, en route from Dar es Salaam (Tanzania) to Beira (Mozambique) approximately 80 nautical miles east of the Tanzanian/Mozambique border.

An outline of the article: On the 6th, Somali pirates released a Liberian flagged container ship, MSC *Panama* (1,743TEU). She was pirated on 10 December 2010, en route from Dar es Salaam

(Tanzania) to Beira (Mozambique) approximately 80 nautical miles east of the Tanzanian/Mozambique border. The ship has a crew of 23, all from Myanmar. Pirates received a \$7 million ransom for the vessel, according to published reports.

Refer to the article: Somali Pirates Free MSC *Panama*

<http://www.joc.com/piracy/somali-pirates-free-msc-panama>

M/V MSC *PANAMA* released from pirate control

<http://www.eunavfor.eu/2011/09/mv-msc-panama-released-from-pirate-control/>

September 7 “Somali pirates release Danish yacht” (The New York Times, September 7, 2011)

Somali pirates released a Yacht owned by a Dane on the 7th. The yacht SY *ING* was hijacked in the Arabian Sea on February 24. On board the yacht were a total of seven persons consisting of Danish family members (man and wife with three children), along with two Danish crew members. They are reportedly in good health.

An outline of the article: According to the Danish Foreign Ministry, Somali pirates released a Yacht owned by a Dane on the 7th. The yacht SY *ING* was hijacked in the Arabian Sea on February 24. On board the yacht were a total of seven persons consisting of Danish family members (man and wife with three children), along with two Danish crew members. They are reportedly in good health. The statement of the Danish Foreign Ministry did not elaborate on a ransom paid, but Reuters reported that it had spoken by telephone to a pirate and said that a group he belonged to had received a \$3 million ransom on the 6th.

Refer to the article: 7 From Denmark Head Home After Being Freed by Pirates

http://www.nytimes.com/2011/09/08/world/europe/08pirates.html?_r=1

September 9 “Shippers ask UN Chief creating global anti-piracy task force” (Next, Reuters, Sep 11, 2011)

On the 9th, the four international shipping associations said they had urged in a letter to the United Nations Secretary-General Ban Ki-moon to create an armed military force to be deployed on navigating vessels to combat Somali piracy.

An outline of the article: On the 9th, the four international shipping associations -- the International Chamber of Shipping (ICS), the Baltic and International Maritime Council (BIMCO), the International Cargo (INTERCARGO) and the International Association of Independent Tankers Owners (INTERTANKO), said they had urged in a letter to the United Nations Secretary-General Ban Ki-moon to create an armed military force to be deployed on navigating vessels to combat Somali piracy. The Somali piracy is costing the world economy billions of dollars a year and international navies have struggled to combat the menace, especially in the Indian Ocean, due to the vast distances involved. The four shipping industries, some of whose members already employ private guards, say they are concerned about a growing threat to vital sea lanes posed by better armed and increasingly violent seaborne gangs. Urging that a new strategy is needed to stand against piracy in the Indian Ocean, the letter is requesting for the

establishment of a U.N. force of armed military guards that can be deployed in small numbers onboard merchant ships. It says, “This would be an innovative force in terms of U.N. peacekeeping activity but it would do much to stabilize the situation, to restrict the growth of unregulated, privately contracted armed security personnel and to allow those U.N. member states lacking maritime forces to make a meaningful contribution in the area of counter-piracy.”

Refer to the article: Shippers want global anti-piracy task force

http://234next.com/csp/cms/sites/Next/News/World/5741669-147/shippers_want_global_anti-piracy_task_force.csp

【Related article】

September 20 “Marine Insurers backing employment of armed guards aboard ships” (Insurance Journal, Reuters, September 20, 2011)

More ship insurers are backing the use of private armed guards on merchant vessels at sea to combat Somali piracy, shipping industry officials said on the 20th.

An outline of the article: More ship insurers are backing the use of private armed guards on merchant vessels at sea to combat Somali piracy as attacks and the resulting costs are set to rise in coming weeks, industry officials said on the 20th. There were more than 20,000 transits a year in the Gulf of Aden and the Indian Ocean. At the annual conference of the International Union of Maritime Insurance (IUMI), chairman at the conference said the hiring of private armed guards to accompany ships is increasingly seen as an effective deterrent against pirates and as a complement to overstretched navies (additionally, many of whom face budget cuts). According to a member of the business circles concerned, no vessel with armed guards has yet been hijacked. Ship owners and insurers have until recently been reluctant to accept the use of armed private contractors. They have hesitated partly due to legal liabilities and risks, including the problem of bringing weapons into some territorial waters and due to the fear of escalating violence. The IUMI said the use of private guards should comply with the legislation of the flag state.

Refer to the article: Marine Insurers Backing Armed Guards as Piracy Threat Grows

<http://www.insurancejournal.com/news/international/2011/09/20/216642.htm>

September 10 “Spanish warship rescues kidnapped French” (EU NAVFOR Public Affairs Office, Press Release, September 13, 2011)

According an announcement of the EUNAVFOR, Spanish frigate SPS *Galicia* captured seven Somali pirate suspects who were involved in kidnapping a French couple, and rescued Mrs. Colombo (wife) on the 10th.

An outline of the article: According an announcement of the EUNAVFOR, having sent a distress call off Yemen on the 8th, French Sailing Yacht (SY) *Tribal Kat* was located by the EU NAVFOR Flagship FGS *Bayern*, but the crew members were found to be missing. Afterwards, maritime patrol aircraft and helicopters of the United States Navy and EU NAVFOR located a suspicious skiff on the 10th. Using warning shots, Spanish frigate SPS *Galicia* attempted to stop the skiff. When an armed boarding team from the SPS *Galicia* approached the skiff, the suspected

pirates opened fire on them. Following an exchange of fire the skiff capsized. Mrs. Colombo (wife) was recovered uninjured. Seven suspected pirates were also recovered from the sea. It has subsequently been confirmed that the other crew member of the SY *Tribal Kat*, Mr. Colombo (husband), was killed on 8 September when the SY *Tribal Kat* was attacked by suspected pirates.

Refer to the article: French Woman captured by suspected Somali Pirates is released by EUNAVFOR.

<http://www.eunavfor.eu/2011/09/french-woman-captured-by-suspected-somali-pirates-is-released-by-eunavfor/>

September 16 “Somali pirate frees Vietnamese ship” (Somalia Report, September 16, 2011)

On the 16th, Somali pirates released the Mongolia flagged bulk carrier MV *Hoang Son Sun* (22,835DWT) owned by the Vietnamese shipping company. Her crew of 24 Vietnamese is said to be in good condition. The ship was hijacked on January 17.

An outline of the article: On the 16th, Somali pirates released the Mongolia flagged bulk carrier MV *Hoang Son Sun* (22,835DWT) owned by the Vietnamese shipping company. Her crew of 24 Vietnamese is said to be in good condition. The ship was hijacked by armed Somali pirates on January 17 approximately 520 nautical miles southeast of Muscat, Oman. Her captors were paid US\$ 4.5 million in ransom.

Refer to the article: MV Hoang Son Sun Released for \$4.5M Ransom

<http://www.somaliareport.com/index.php/post/1583>

September 21 “Saudi Arabia combats piracy by giving boost to IMO Djibouti Code Trust Fund” (The Maritime Executive, September 21, 2011)

On the 21st, Saudi Arabia presented a cheque for US\$100,000 to the IMO Djibouti Code Trust Fund to boost the IMO-led project to implement the Code of Conduct signed in Djibouti in January 2009 (Djibouti Code of Conduct).

An outline of the article: On the 21st, Saudi Arabia made a significant contribution to the IMO Djibouti Code Trust Fund, giving a boost to the IMO-led project to implement the Code of Conduct signed in Djibouti in January 2009 (Djibouti Code of Conduct). His Royal Highness Prince Mohammed bin Nawaf bin Abdul Aziz Al-Saud, Ambassador Extraordinary and Plenipotentiary of the Kingdom of Saudi Arabia to the United Kingdom, presented a cheque for US\$100,000 to IMO Secretary-General Efthimios E. Mitropoulos. The Djibouti Code has so far 18 signatory States (Comoros, Djibouti, Egypt, Eritrea, Ethiopia, Jordan, Kenya, Madagascar, Maldives, Mauritius, Oman, Saudi Arabia, Seychelles, Somalia, Sudan, United Arab Emirates, United Republic of Tanzania and Yemen) who have pledged to cooperate in various measures aimed at suppressing piracy.

Refer to the article: Saudi Arabia Combats Piracy By Giving Boost to IMO Djibouti Code Trust Fund

<http://www.maritime-executive.com/article/saudi-arabia-combats-piracy-by-giving-boost-to-im-o-djibouti-code-trust-fund>

September 28 “Somali pirates free Cyprus-flagged vessel” (Somalia Report, September 29, 2011)

On the 28th, Somali pirates freed the Cyprus-flagged, Greek-owned bulk carrier MV *Eagle* (52,163 tons). The vessel was seized at approximately 490 nautical miles South of Salalah, Oman.

An outline of the article: On the 28th, Somali pirates freed the Cyprus-flagged, Greek-owned bulk carrier MV *Eagle* (52,163 tons). The vessel was seized at approximately 490 nautical miles South of Salalah, Oman on 17 January 2011. MV *Eagle* has 24 Philippine crew-members, who are all safe. A \$6 million ransom was paid to secure its release.

Refer to the article: Pirates Release MV Eagle after Ransom Paid

http://www.somaliareport.com/index.php/post/1668/Pirates_Release_MV_Eagle_after_Ransom_Paid

September 28-29 “German naval vessel deters piracy attacking group” (EU NAVFOR Public Affairs Office, Press Release, September 28 and September 30, 2011)

On the 28th, having located the suspicious boat 70 nautical miles South West off Mogadishu, Somalia, 30 miles off the coast, EUNAVFOR warship FGS *KÖLN* stopped and boarded a suspicious group of two small boats, a whaler and skiff. The boarding team of the FGS *KÖLN* destroyed two boats and their engines, releasing the pirate suspects near the coast of Somalia. Additionally, on the following day of the 26th, the *KÖLN* found the whaler heading toward a beach off Somalia, and destroyed it.

An outline of the article: On the 28th, having located the suspicious boat 70 nautical miles South West off Mogadishu, Somalia, 30 miles off the coast, EUNAVFOR warship FGS *KÖLN* stopped and boarded a suspicious group of two small boats, a whaler and skiff. A helicopter was sent to inspect the group of boats and 12 people with equipment usually associated with piracy were seen on board. As the boats refused to stop when hailed, *KÖLN*'s helicopter fired warning shots ahead of the skiff, which caused the boat to stop. Before the boats could be boarded by teams from FGS *KÖLN*, the crew of the boats started to throw weapons and other items overboard. The skiff, whaler and their engines were destroyed and the men released close to the shore.

Additionally, on the 29th, a helicopter launched from the EU NAVFOR warship FGS *KÖLN* located and destroyed a suspicious whaler close to a beach off Somalia, 100 nautical miles SW of Mogadishu. Although the whaler was found to be loaded with equipment usually related to piracy on board, no pirate suspects were seen on board. Consequently, the whaler was destroyed.

Refer to the article: Board and search operation carried out by EU NAVFOR warship

<http://www.eunavfor.eu/2011/09/board-and-search-operation-carried-out-by-eu-navfor-warship/>

EU NAVFOR warship FGS *KÖLN* destroys suspect whaler

<http://www.eunavfor.eu/2011/09/eu-navfor-warship-fgs-koln-destroys-suspect-whaler/>



A suspicious group of two small boats, a whaler and skiff

Source: EU NAVFOR Public Affairs Office, Press Release, September 28 and September 30, 2011

September 30 “Somali pirates free Greek-Owned vessel” (Alert Net, Reuters, September 30, 2011)

On the 30th, Somali pirates freed the Panama-flagged, Greek-owned bulk carrier MV *Dover*. She has a 23-crew. Pirates hijacked the Panamanian-flagged MV *Dover* on February 28.

An outline of the article: On the 30th, Somali pirates freed the Panama-flagged, Greek-owned bulk carrier MV *Dover*. She has a 23-crew. Pirates hijacked the Panamanian-flagged MV *Dover* on February 28 about 260 nautical miles north east of Salalah in Oman. A pirate told Reuters by telephone that they had received a \$3.5 million ransom.

Refer to the article: Somali pirates free Greek-owned cargo ship

<http://www.trust.org/alertnet/news/somali-pirates-free-greek-owned-cargo-ship>

1.2 Military Developments

September 1 “India put coastal radar net work plan on fast-track” (Indian Express, September 1, 2011)

According to the Indian newspaper, *Indian Express* (Net Edition) on the 1st, with China working overtime to extend its influence in the Indian Ocean, India is now expediting the plan of setting up a coastal radar network along the Maldives coast as well as other countries including Sri Lanka and Mauritius.

An outline of the article: According to the Indian newspaper, *Indian Express* (Net edition) on the 1st, with China working overtime to extend its influence in the Indian Ocean, India is now expediting the plan of setting up a coastal radar network along the Maldives coast as well as other countries including Sri Lanka and Mauritius. The decision was taken after a high-level security review meeting over beefing up of coastal security. The Navy is also likely to carry out similar task of enhancing maritime security in Bangladesh, said sources. The setting up of coastal radars is being undertaken at a cost of Rs 602 crore by Bharat Electronics Limited (BEL). According to a top Navy official, there are nearly 46 coastal radars which will be provided by BEL. Out of this, the first radar will be supplied to Indian Navy by October this year while the rest of

them will be provided within next 12 months.”

Refer to the article: India puts coastal radar network plan on fast-track

<http://www.indianexpress.com/news/India-puts-coastal-radar-network-plan-on-fast-track/8398>

49/

September 5 “Russian new-class SSBN to Pacific in 2011: Putin” (Barents Observer.com, September 7, 2011)

The new *Borey* class nuclear-powered ballistic missile submarine (SSBN) *Yury Dolgoruky* will be deployed to the Pacific fleet in 2011, The two next *Borey*-class submarines, the *Vladimir Monomakh* and *Aleksandr Nevsky*, are also to join the Pacific fleet after they are commissioned, replacing the older *Delta-III* class SSBNs in the Pacific.

An outline of the article: The new *Borey* class nuclear-powered ballistic missile submarine (SSBN) *Yury Dolgoruky*, which successfully test-launched the second Bulava intercontinental ballistic missile in the White Sea in late August, will be delivered to the Pacific fleet in 2011, Russian Prime Minister Vladimir Putin said at a party meeting with United Russia on the 5th. The submarine is the first of the new *Borey*-class SSBN to be commissioned since last *Delta-IV* class SSBN was commissioned in 1992. The two next *Borey*-class submarines, the *Vladimir Monomakh* and *Aleksandr Nevsky* are also to join the Pacific fleet after they are commissioned. The *Borey*-class will replace the older *Delta-III* class SSBNs in the Pacific.

Refer to the article: Yury Dolgoruky to Pacific in 2011 – Putin

<http://www.barentsobserver.com/yury-dolgoruky-to-pacific-in-2011-putin.4956567-58932.html>

September 5 “China studies 4th fleet: Singapore News” (The Straits Times, September 5, 2011)

On the 5th, the Singaporean newspaper, *The Straits Times* (Online), carried an article of the military staff writer, in which the author reports that China is intending to establish a fourth fleet centered by the aircraft carrier for the People's Liberation Army Navy (PLAN). Pointing out a possibility that a fourth fleet centered by the *Varyag* is newly established, the author predicts a large scale of conversion of the navy, as it is planning to build plural carriers.

An outline of the article: On the 5th, the Singaporean newspaper, *The Straits Times* (Online), carried an article of a Defense Writer in which the author reports that China is intending to establish a fourth fleet centered by the aircraft carrier for the People's Liberation Army Navy (PLAN). The gist of the article is as follows.

- (1) According to the PLA Daily dated August 16, it has become clear that People's Liberation Army Navy (PLAN) has an intention to establish its fourth fleet. The PLAN is currently structured around three fleets, each with a geographic focus: the North Sea Fleet, headquartered in Qingdao; the East Sea Fleet, headquartered in Ningbo; and the South Sea Fleet, headquartered in Zhanjiang. But the People's Daily Online on the 16th reports that 'China's first aircraft carrier is planned to serve in the South China Sea by the next Army Day – August 1, 2012 under direct command of the country's Central Military

Commission (CMC),' referencing an unnamed military source. The South Sea Fleet is normally responsible for the South China Sea, including hot spots centered on the Paracel and Spratly Islands. By introducing the carrier into this mix but placing it under the CMC, the vessel is being recognized as a strategic asset on a par with the Second Artillery's ballistic missile force.

- (2) Yet analysts believe that the China's supreme policy-making body for military affairs (CMC) is structurally unable to manage a combat-ready operational force. An aircraft carrier is not operated independently. Rather, they are the core element of a potent flotilla known as a carrier battle group (CBG). Being vulnerable to attacks, the aircraft carriers require several additional vessels to support them. The American model typically includes two guided missile cruisers, two destroyers, one frigate, two nuclear-powered attack submarines and a supply ship. Other navies operate variants of this structure, but all involve air defense, anti-submarine warfare and land-attack cruise missiles. Submarines provide anti-surface and anti-submarine screening, and a replenishment ship allows for supplies to be topped up while under way.
- (3) In the PLAN context, this means including with the carrier one or two Type 093 *Shang* class nuclear-powered attack submarines along with one or two *Sovremenny* class destroyers. There would be one or two other destroyers - perhaps the Type 051C *Louzhou* class or Type 052C *Luyang-II* class, although the *Luyang-II* might also displace the *Sovremenny* - along with at least one frigate. The latter could well be the multi-purpose Type 054A *Jiangkai II* class introduced in 2008. The initial requirement for a replenishment ship could involve the 23,000 ton *Fuchi* class, which entered service in 2005. Together, these promise a potent force but one which will take years of training to fully refine. Beijing has stated that its first carrier - the ex-*Varyag*, which recently completed its initial sea trials after extensive refurbishment - will be used for 'research and training' once formally transferred to the PLAN. But this training activity must certainly extend beyond the vessel itself to involve the full CBG.
- (4) A CBG is normally assembled as needed. It is nevertheless intriguing to consider what impact the regular absence of China's most advanced warships could have on the fleets from which they are drawn. Or the impetus this requirement could provide for a host of new naval construction. Also worth mulling is the possibility that China intends to induct several aircraft carriers beyond the basic vessel now evident. This suggests that a fourth fleet centered on the ex-*Varyag* could be an interim measure pending deeper changes. Professor Nan Li of the China Maritime Studies Institute at the United States Naval War College says, "The PLAN is not satisfied with its current three fleets and their narrow geographic focus. They are not appropriate for operating beyond coastal waters." Anyway, the intentions are clear. Only the scale and the timeframe remain hazy.

Refer to the article: China's fourth fleet

<http://www.asianewsnet.net/home/news.php?id=21382>

September 12 “Russian new nuke attack- sub begins sea trial” (Barents Observer, September 13, 2011)

After 18 years of the start of construction, Russia’s first *Graney*-class nuclear powered submarine (SSN) set course to the White Sea on September 12 for the first sea trials. If the sea trails are successful, *Severodvinsk* is expected to enter service with the navy by the end of this year. *Severodvinsk* is the first of Russia’s new fourth generation multi-purpose submarines (SSN) of the *Graney*-class. The submarine is the most heavily multi-armed submarine put to sea since the *Oscar-II* class. Fully armed, the submarine can carry 24 cruise missiles and eight torpedo launchers. The cruise missiles onboard can be both tipped with conventional warheads or nuclear warheads.

An outline of the article: After 18 years of the start of construction, Russia’s first *Graney*-class nuclear powered submarine (SSN) set course to the White Sea on September 12 for the first sea trials. According to the initial plan, the *Severodvinsk*, whose first welding work with hull started back in December 1993, was to be launched in 1995 and commissioned for the navy in 1998. If the sea trails are successful, *Severodvinsk* is expected to enter service with the navy by the end of this year. *Severodvinsk* is the first of Russia’s new fourth generation multi-purpose submarines (SSN) of the *Graney*-class. The submarine is the most heavily multi-armed submarine put to sea since the *Oscar-II* class. The new *Graney*-class SSN carries a variety of long-range cruise missiles, including the new missiles which have a range of up to 5,000 kilometers. Due to the missiles long-range, the submarine is rather to be categorized as a sub-strategic weapon than a traditional attack submarine. Fully armed, the submarine can carry 24 cruise missiles and eight torpedo launchers. The cruise missiles onboard can be both tipped with conventional warheads or nuclear warheads. The 120-meter long submarine is powered by a single-reactor and has a maximum diving depth of 600 meters. The second of the *Graney*-class submarine, named *Kazan*, is currently under construction and another eight of the class is said to be built before 2020.

Refer to the article: Maiden voyage for world’s most heavy armed submarine

<http://www.barentsobserver.com/maiden-voyage-for-worlds-most-heavy-armed-submarine.4958641-58932.html>



After 18 years of construction, Russia's first *Graney*-class nuclear powered submarine set course to the White Sea on September 12 for the first sea trials

Source: Barents Observer, September 13, 2011

September 17 "USN Navy commissions first joint high-speed intra-theater transport vessel" (Military.com, September 19, 2011)

On the 17th, the first of U.S. Navy's joint high-speed vessels (JHSV) designed for rapid intra-theater transport of troops and military equipment was christened USNS *Spearhead* during a ceremony. Belonging to the Military Sealift Command (MSC), the JHSVs are aluminum catamarans designed to be fast, making them ideal for transporting troops and equipment quickly within a theater of operations. The JHSVs are capable of transporting 600 short tons of military troops, vehicles, supplies and equipment 1,200 nautical miles at an average speed of 35 knots.

An outline of the article: On the 17th, the first of U.S. Navy's joint high-speed vessels designed for rapid intra-theater transport of troops and military equipment was christened USNS *Spearhead* during a ceremony. Military Sealift Command (MSC) will own and operate USNS *Spearhead*. USNS *Spearhead* will have a crew of 22 civil service mariners working for MSC. The JHSVs are aluminum catamarans designed to be fast, making them ideal for transporting troops and equipment quickly within a theater of operations. The JHSVs are capable of transporting 600 short tons of military troops, vehicles, supplies and equipment 1,200 nautical miles at an average speed of 35 knots and can operate in shallow-draft, austere ports and waterways, providing U.S. forces added mobility and flexibility. The JHSVs' aviation flight decks can support day and night flight operations. Each JHSV also has sleeping accommodations for up to 146 personnel and airline-style seating for up to 312. USNS *Spearhead* will be based in Little Creek, Va., and is expected to begin conducting missions for the Navy in the first quarter of fiscal year 2013. Navy is planning to build 10 vessels of this type.

Refer to the article: Navy's First Joint High-Speed Vessel Christened

<http://www.military.com/news/article/navy-news/navys-first-joint-highspeed-vessel-christened.html>



The Military Sealift Command joint high-speed vessel USNS Spearhead (JHSV 1)

Source: U.S. Navy News Service. September 8, 2011

September 18~23 “U.S., Bangladesh launch joint naval exercise” (U.S. Navy 7th Fleet News, September 19, U.S. Pacific Fleet News, September 23, 2011)

On September 18 ~ 23, the Bangladesh and U.S. Navies conducted five days of maritime safety and security exercises - Cooperation Afloat Readiness and Training (CARAT) Bangladesh 2011. It marks the first time Bangladesh has participated in the 17 year-old CARAT exercise series, which the U.S. Navy conducts with navies of seven other Southeast Asian nations.

An outline of the article: On September 18 ~ 23, the Bangladesh and U.S. Navies conducted five days of maritime safety and security exercises - Cooperation Afloat Readiness and Training (CARAT) Bangladesh 2011. It marks the first time Bangladesh has participated in the 17 year-old CARAT exercise series, which the U.S. Navy conducts with navies of seven other Southeast Asian nations. CARAT participants now include Bangladesh, Brunei, Cambodia, Indonesia, Malaysia, Philippines, Singapore and Thailand. There were four U.S. Navy ships and approximately 500 U.S. personnel participating in the exercise. The ships included the guided missile destroyer USS *Kidd* (DDG 100); the frigate USS *Ford* (FFG 54); mine countermeasures ship USS *Defender* (MCM 2) and the dive and salvage rescue ship USNS *Safeguard* (T-ARS 50). From the Bangladesh Navy, Ships (BNS) *Bangabandhu* (F 25), BNS *Bijoy* (F 35) and BNS *Sangu* (P 713) participated in the exercise. CARAT Bangladesh combined training events ashore and at sea, with shore events focused on dive training, riverine warfare, ship boarding training and medical and community service projects. Combat training events at sea were staged between U.S. and Bangladesh Navy ships.

Refer to the article: U.S., Bangladesh Launch First CARAT Naval Exercise

<http://www.c7f.navy.mil/news/2011/09-september/016.htm>

U.S. Pacific Fleet News, Sep 23, 2011

http://www.cpf.navy.mil/media/news/articles/2011/sep/sep23_Bangladesh_CARAT.shtml



BAY OF BENGAL (Sept. 22, 2011) Bangladesh Navy ships are joined by ships from the U.S. Navy during a surface gunnery exercise as part of Cooperation Afloat Readiness and Training (CARAT) Bangladesh 2011.

Source: U.S. Pacific Fleet News, September 23, 2011

September 19 “India, Sri Lanka, start joint naval exercise in six years” (The Times of India, September 20, 2011)

On the 19th, India and Sri Lanka kicked off their first major naval combat exercise in six years off Trincomalee on the north-east coast of Sri Lanka. The purpose of the exercise is to boost interoperability between the two forces.

An outline of the article: On the 19th, India and Sri Lanka kicked off their first major naval combat exercise in six years off Trincomalee on the north-east coast of Sri Lanka. In the exercise called “SLINEX-11” six Indian warships, including the spanking new stealth frigate INS *Shivalik*, a *Rajput*-class destroyer and a missile corvette, are participating. Sri Lankan navy has deployed two large off-shore patrol vessels, one fast-missile vessel, two fast-gun boats and six fast-attack craft for the exercise. The purpose of the exercise is to boost interoperability between the two forces. India’s strategy to provide arms and military training, coupled with intelligence sharing and coordinated naval patrolling, has been primarily aimed to counter ever-growing strategic inroads into the island nation by both China and Pakistan.

Refer to the article: India, Lanka start major naval exercise in 6 years

http://articles.timesofindia.indiatimes.com/2011-09-20/india/30179938_1_specialized-naval-courses-trincomalee-sri-lankan

September 19 “U.S., Vietnam ink deal to boost defense ties” (Thanh Nien News, September 22, 2011)

On the 19th, the defense ministries of Vietnam and the US held talks in Washington D.C. First held in Hanoi in 2010, the second annual defense policy dialogue between Vietnam and the US agreed to promote defense cooperation in the field of five priorities, including sea security.

An outline of the article: On the 19th, holding talks in Washington D.C., the defense ministries of Vietnam and the US agreed to promote defense cooperation in five priority fields, including sea

security. Vietnam and the US held their first annual dialogue on defense policies in Hanoi in 2010 to promote cooperation, and raise mutual trust and understanding between the two defense ministries. They signed a memorandum of understanding (MOU) to the effect during the second annual defense policy dialogue. In the field of five priorities are included establishing a regular high-ranking dialogue mechanism between the U.S. Department of Defense and the Vietnamese defense ministry; sea security; search and rescue, studying and exchanging experience in the United Nations peace keeping activities; and humanitarian aid and disaster relief.

Refer to the article: Vietnam, US ink deal to boost defense ties

<http://www.thanhniennews.com/2010/Pages/20110922122207.aspx>

September 20 “U.S. drones operate over east coast of Africa and Indian Ocean” (The Washington Post, September 20, 2011)

On the 20th, the U.S. newspaper, *The Washington Post*, carries an article that the Obama administration is assembling a constellation of secret drone bases for counterterrorism operations in the Horn of Africa and the Arabian Peninsula, reporting on the status of operations of the drone of MQ-9 Reapers in Seychelles and others.

An outline of the article: On the 20th, the U.S. newspaper, *The Washington Post*, carries an article that the Obama administration is assembling a constellation of secret drone bases for counterterrorism operations in the Horn of Africa and the Arabian Peninsula. The gist of the article is as follows.

- (1) One of the installations is being established in Ethiopia, a U.S. ally in the fight against al-Shabab, the Somali militant group that controls much of that country. Another base is in the Seychelles, an archipelago in the Indian Ocean, where a small fleet of “hunter-killer” drones resumed operations in September after an experimental mission demonstrated that the unmanned aircraft could effectively patrol Somalia from there. The U.S. military also has flown drones over Somalia and Yemen from bases in Djibouti. In addition, the CIA is building a secret airstrip in the Arabian Peninsula so it can deploy armed drones over Yemen.
- (2) The rapid expansion of the undeclared drone wars is a reflection of the growing alarm with which U.S. officials view the activities of al-Qaeda affiliates in Yemen and Somalia. The U.S. government is known to have used drones to carry out lethal attacks in at least six countries: Afghanistan, Iraq, Libya, Pakistan, Somalia and Yemen.
- (3) The U.S. Navy and Air Force have deployed a small fleet of MQ-9 Reaper drones in the Republic of Seychelles since September 2009. U.S. and Seychellois officials have previously acknowledged the drones’ presence but have said that their primary mission was to track pirates in regional waters. But classified U.S. diplomatic cables show that the unmanned aircraft have also conducted counterterrorism missions over Somalia. The Reapers are described by the military as “hunter-killer” drones because they can be equipped with Hellfire missiles and satellite-guided bombs. The Seychelles drone operation has a relatively small footprint. Based in a hangar located about a quarter-mile from the main

passenger terminal at the airport, it includes between three and four Reapers and about 100 U.S. military personnel and contractors, according to the cables. The military operated the flights on a continuous basis until April in 2011, when it paused the operations. They resumed this September, said Stockman, the Africa Command spokesman.

Refer to the article: U.S. assembling secret drone bases in Africa, Arabian Peninsula, officials say

http://www.washingtonpost.com/world/national-security/us-building-secret-drone-bases-in-africa-arabian-peninsula-officials-say/2011/09/20/gIQAJ8rOjK_story.html



MQ-9 Reaper based in the Seychelles

Source: The Washington Post, September 20, 2011

October 26 “S. Korea hands over decommissioned patrol boat to Timor Leste” (Xinhua, September 26, 2011)

A handover ceremony of the three retired patrol ships that South Korea provided to Timor Leste in its Timor Leste's capital of Dili was held on the 26th and the two countries discussed expanding bilateral defense industry cooperation and military exchanges.

An outline of the article: South Korea handed over three retired patrol ships to Timor Leste to help the country guard its territorial waters and to preserve marine resources, the defense ministry in Seoul said the 26th. The move came after South Korean vice defense minister Lee Yong-gul and his Timor Leste counterpart Julio Thomas Pinto signed an agreement on donation in August in Seoul. Representative from the two countries held a handover ceremony in Timor Leste's capital of Dili on the 26th and discussed expanding bilateral defense industry cooperation and military exchanges.

Refer to the article: S Korea hands over decommissioned patrol boats to Timor Leste

http://news.xinhuanet.com/english2010/world/2011-09/26/c_131160794.htm

1.3 South China Sea-related Events

September 3 “Aquino’s China visit expected to promote China-Philippines economic ties”⁹ (Xinhua, September 3, 2011)

Visiting China on August 30 ~ September 3, Philippine President Benigno S. Aquino III had a meeting with his Chinese counterpart, President Hu Jintao, on the 1st. According to the joint communiqué issued after the top meeting, the two leaders exchanged opinions on the conflict over the ocean, and agreed that this issue will not bring out bad influence on the global friendly relations between the two countries. The two leaders confirmed their commitment to addressing the disputes through peaceful dialogue. During this time the Philippines-China Economic and Trade Forum was also held, and two nations agreed to promote economic cooperation.

An outline of the article: Visiting China on August 30 ~ September 3, Philippine President Benigno S. Aquino III had a meeting with his Chinese counterpart, President Hu Jintao on the 1st. During this period the Philippines-China Economic and Trade Forum was also held. The Philippine president, at the forum, invited China to invest in the Philippines, explaining that the Philippines is an emerging economic force in Southeast Asia. In response, Chinese Vice Premier Wang Qishan said that China will advise the Chinese business world to make an investment in the Philippines, in particular, in the construction of infrastructure, and expand trade volume between the two countries. Wan said China will make efforts to bring bilateral trade to 60 billion U.S. dollars by 2016. China-Philippines trade amounted to 27.7 billion U.S. dollars in 2010, making China the third largest trading partner of the Philippines.

According to the joint communiqué issued after the top meeting, the two leaders exchanged opinions on the conflict over the ocean, and agreed that this issue will not bring out bad influence on the global friendly relations between the two countries. The two leaders confirmed their commitment to addressing the disputes through peaceful dialogue, and reaffirmed their commitments to abiding by the Declaration on the Conduct of Parties in the South China Sea signed in 2002.

Refer to the article: Aquino's visit expected to further promote China-Philippine ties

http://news.xinhuanet.com/english2010/china/2011-09/03/c_131095640.htm

Joint Statement of the Republic of the Philippines and the People’s Republic of China is available at following URL:

<http://dfa.gov.ph/main/index.php/newsroom/dfa-releases/3679-joint-statement-of-the-republic-of-the-philippines-and-the-peoples-republic-of-china>

September 7 “Philippines ups guard over gas field in South China Sea” (Defense News, AFP, September 7, 2011)

On the 7th, the Philippine government announced another military spending spree of the 4.95 billion pesos (\$118 million). The budget will be spent to buy a navy patrol vessel and six helicopters as well as various military supplies, which is the measure for strengthening military

capabilities necessary for territorial defense, including providing a strong security perimeter for the Malampaya Natural Gas and Power Project and its the surrounding waters.

An outline of the article: On the 7th, the Philippine government announced another military spending spree to defend its South China Sea territories. Nearly five billion pesos (\$118 million) will be spent on top of this year's defense budget to buy a navy patrol vessel and six helicopters as well as various military supplies, Budget Secretary Florencio Abad said. "The 4.95 billion pesos will fund necessary capability requirements of the armed forces in its territorial defense operations, including providing a strong security perimeter for the Malampaya Natural Gas and Power Project," he said. The \$4.5 billion Malampaya project, operated as a joint venture with Shell Philippines, is the biggest gas extraction operation in the country and supplies nearly half of the energy needed on the main island of Luzon. Malampaya is located 50 miles off the coast of the southwestern Philippine island of Palawan, but the area of the South China Sea is also claimed by China. Although the new spending is miniscule compared with China's military budget, it is significant for the cash-strapped Philippine defense forces.

Refer to the article: Philippines Ups Spending To Guard South China Sea

<http://www.defensenews.com/story.php?i=7610902&c=ASI&s=TOP>

September 11 "Philippines announces creation of new interagency for protecting maritime territory" (GMA News, September 11, 2011)

On the 11th, the Philippine Executive Secretary announced that Philippine President Benigno Aquino III signed Executive Order (EO) No. 57 to create the National Coast Watch System (NCWS) that would help protect Philippine territory in the West Philippine Sea (also South China Sea) from maritime threats. The NCWS is a core inter-agency body which has coordinating functions on maritime issues and security operations, with the secretaries of the Departments of National Defense (DND), Transportation and Communications (DOTC), Foreign Affairs (DFA), the Interior and Local Government (DILG), Justice (DOJ), Energy (DOE), Finance (DOF), Environment and Natural Resources (DENR) and Agriculture (DA) as members.

An outline of the article: On the 11th, the Philippine Executive Secretary announced that Philippine President Benigno Aquino III signed Executive Order (EO) No. 57 to create the National Coast Watch System (NCWS) that would help protect Philippine territory in the West Philippine Sea (also South China Sea) from maritime threats. In issuing EO 57, the President emphasized the government's firm commitment to prioritize maritime security in the country, especially in the face of maritime challenges and threats such as terrorism, transnational crimes, drug and firearms trafficking, smuggling, human trafficking, climate change, illegal fishing, marine environment degradation and other security concerns. EO 57 abolished the Commission on Maritime and Ocean Affairs (CMOA) that was created in 2007 by then-President Gloria Macapagal-Arroyo through EO No. 612. It also expanded the scope of the Coast Watch South, which was primarily tasked to provide maritime security operations in southern Philippines, to cover the entire archipelago. The NCWS is a core inter-agency body which has coordinating functions on maritime issues and security operations, with the secretaries of the Departments of

National Defense (DND), Transportation and Communications (DOTC), Foreign Affairs (DFA), the Interior and Local Government (DILG), Justice (DOJ), Energy (DOE), Finance (DOF), Environment and Natural Resources (DENR) and Agriculture (DA) as members. The NCWS will have an initial budget of P20 million sourced from the Special Account in the General Fund of the DOE, and thereafter be incorporated in the General Appropriations Act for funding.

Refer to the article: Aquino creates new inter-agency body vs maritime threats

<http://www.gmanews.tv/story/232116/nation/aquino-creates-new-inter-agency-body-vs-maritime-threats>

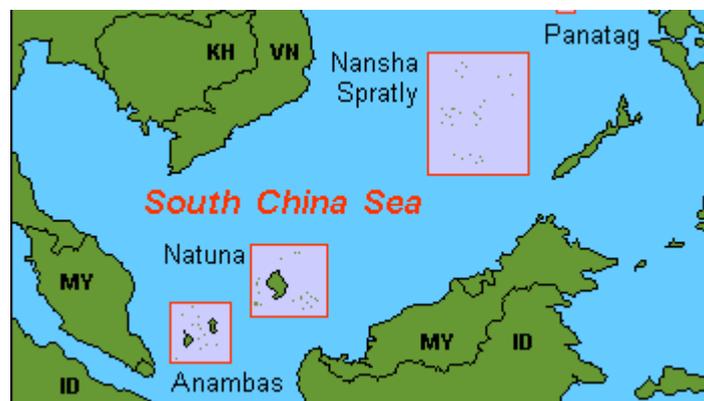
September 14 “Indonesia, Vietnam agree to joint patrol” (The Straits Times, AFP, September 15, 2011)

On the 14th, Indonesia and Vietnam agreed to establish joint patrols on their maritime border to improve security in the disputed South China Sea.

An outline of the article: On the 14th, Indonesia and Vietnam agreed to establish joint patrols on their maritime border to improve security in the disputed South China Sea. Indonesia's exclusive economic zone (EEZ) overlaps with China's claim. In addition, while Indonesia does not claim any of the islands in the disputed Spratly or Paracel chains, it does claim the Natuna islands, which China recently claimed as its own. Vietnam also claims part of the sea.

Refer to the article: Indonesia, Vietnam to establish joint maritime patrols

http://www.straitstimes.com/BreakingNews/SEAsia/Story/STIStory_712847.html



The Natuna islands

Source: Wikipedia

September 15 “India pushing forward oil exploration program with Vietnam” (FIRSTPOST, September 15, 2011)

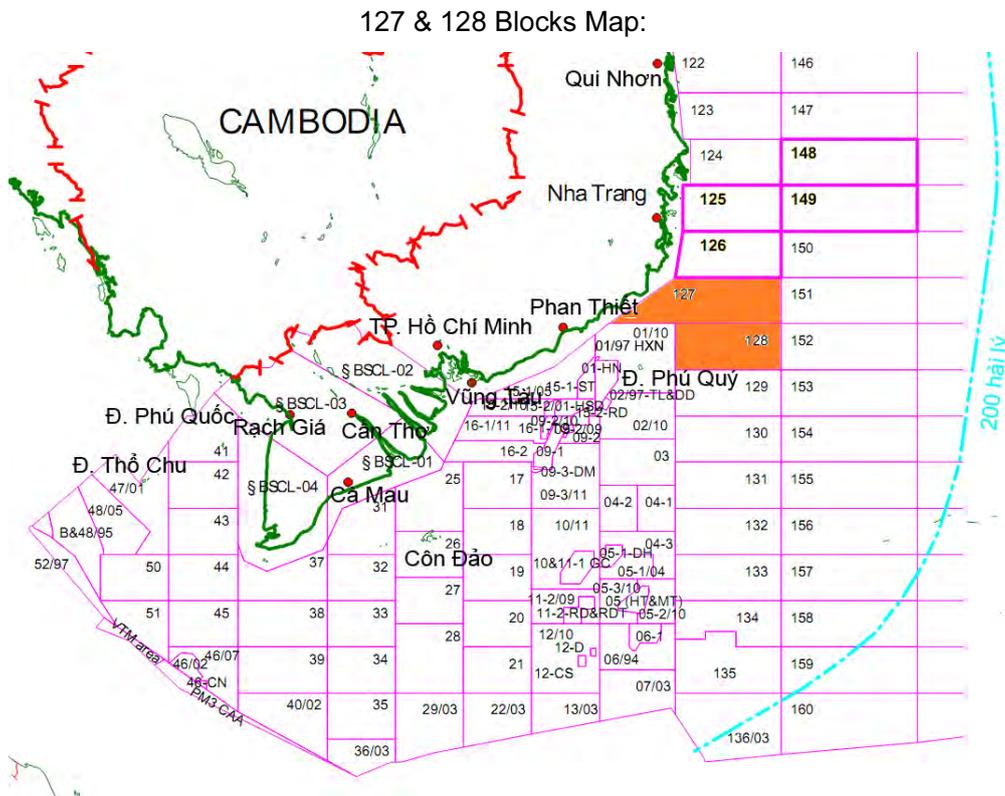
On the 15th, India dismissed Chinese objections over its oil exploration projects in two Vietnamese blocks in the disputed South China Sea, saying its cooperation with Vietnam was as per international laws and it would like the cooperation to grow.

An outline of the article: On the 15th, India dismissed Chinese objections over its oil exploration projects in two Vietnamese blocks (as seen in the 127 & 128 Blocks Map attached) in

the disputed South China Sea, saying its cooperation with Vietnam was as per international laws and it would like the cooperation to grow. Noting that there was an active program of trade and economic cooperation with Vietnam, Indian External Affairs Ministry official spokesperson said cooperation in the area of energy was one of the important facets of it. China is asking India and other countries to refrain from oil exploration in maritime areas offered by Vietnam in the South China Sea, claiming it enjoys “indisputable sovereignty” there. The spokesperson said Oil, Natural Gas Corporations (ONGC) Videsh Ltd (OVL) has been in Vietnam for quite sometime in offshore oil and natural gas exploration field and that they were in the process of further expanding cooperation and operation and Essar, a subsidiary of Essar oil Ltd, has also been awarded a gas block in Vietnam. “This is one important area of cooperation and we would like this area of cooperation to grow. Our cooperation with Vietnam or with any other country for that matter in the world is always as per as international laws, norms and conventions,” the spokesperson said. He also reiterated India’s position that New Delhi “supports freedom of navigation in South China Sea and hopes that all parties to the dispute would abide by the 2002 declaration of conduct in South China Sea.”

Refer to the article: India rebuffs China on Vietnam oil exploration

<http://www.firstpost.com/world/india-rebuffs-china-on-vietnam-oil-exploration-85189.html>



Source: Indian Defence, September 28, 2011

Refer to the article: India rebuffs China on Vietnam oil exploration

<http://www.firstpost.com/world/india-rebuffs-china-on-vietnam-oil-exploration-85189.html>

【Related article 1】**“China calls for India, Vietnam to stop oil exploration program” (FIRSTPOST, September 16, 2011)**

On the 16th, the Chinese Foreign Ministry spokesman refused to join issue with India over its assertion to go ahead with oil exploration cooperation with Vietnam in the South China Sea despite Beijing's objections. On the other hand, the-stated run Global Times said the move constituted “serious political provocation” and should be “resolutely stopped.”

An outline of the article: On the 16th, the Chinese Foreign Ministry spokesman refused to join issue with India over its assertion to go ahead with oil exploration cooperation with Vietnam in the South China Sea despite Beijing's objections, but he declined to react to External Affairs Ministry's assertion that India's cooperation with Hanoi for oil exploration is in accordance with the international law and is set to grow.

On the other hand, the-stated run newspaper, *Global Times* said the move constituted “serious political provocation” and should be “resolutely stopped.” The Global Times said in the editorial, “Both Vietnam and the companies are clear about this but fake innocence. But as opposition and pressure increases, their venturous action is less likely to succeed.” Moreover, China asserts that it should take every means available to stop realization of this program against India's oil, natural gas corporations (ONGC), if they don't stop joint programs with Vietnam. Additionally, regarding India's advance into the South China Sea, while reminding that China should take action within reason, the editorial mentions as follows: (a) India's ambition is growing along with its rapid economic growth and some Indians even regard its intervention in the South China Sea as being able to counter China's presence in the Indian Ocean. (b) The joint exploration between India and Vietnam may be seen as an Indian test of China's will as “India is seeking influence akin to US in the region.” (c) “China and relevant countries should digest the conflicts within the South China Sea, but when other countries step in, China should oppose them with all involved having to share the blame and resulting losses.” (d) “Chinese society has already been indignant about India's intervention in the Dalai (Tibetan spiritual leader, Dalai Lama) problem. India should bear in mind that its actions in the South China Sea will push China to the limit. China cherishes the Sino-Indian friendship, but this does not mean China values it above all else.”

Refer to the article: Chinese daily calls India-Vietnam oil exploration ‘serious provocation’

<http://www.firstpost.com/world/chinese-daily-calls-india-vietnam-oil-exploration-serious-provocation-85965.html>

【Related article 2】**“Vietnam protests Chinese sovereignty violations” (All Voices.com, September 16, 2011)**

On the 16th, Vietnamese Foreign Ministry Spokesperson stressed that the joint exploration program between Vietnam and foreign partners in the fields of oil and gas, including joint oil and gas exploration located in the exclusive economic zone (EEZ) of Vietnam is completely under the sovereignty, sovereign rights and jurisdiction of Vietnam.

An outline of the article: On the 16th, reacting to Chinese call for halting oil and gas exploration program with India, Vietnamese Foreign Ministry Spokesperson stressed that the joint exploration program between Vietnam and foreign partners in the fields of oil and gas, including joint oil and gas exploration located in the exclusive economic zone (EEZ) of Vietnam is completely under the sovereignty, sovereign rights and jurisdiction of Vietnam, in accordance with the UN Convention on the Law of the Sea (UNCLOS) 1982, in accordance with custom and practice of international and multilateral agreements and bilateral, which Vietnam has signed under the 1982 United Nations Convention on the Law of the Sea (UNCLOS) 1982, in accordance with custom and practice of international and multilateral agreements and bilateral, which Vietnam has signed. Based on it, the Vietnamese Spokesman said, “The opposition to cooperation between Vietnam and foreign partners in the continental shelf and EEZ of 200 nautical miles of Vietnam is absolutely no legal basis and worthless.”

Refer to the article: Vietnam protests Chinese sovereignty violations

<http://www.allvoices.com/contributed-news/10360599-vietnam-protests-chinese-sovereignty-violations>

September 27 “Japan-Philippines summit meeting held” (Japanese Foreign Ministry HP, “September 27, 2011)

On September 27, H.E. Mr. Benigno S. Aquino III, President of the Republic of the Philippines, who was on a visit to Japan, held a summit meeting with Japanese Prime Minister Yoshihiko Noda at the Prime Minister’s Office. After the meeting two leaders signed the “Japan-Philippines Joint Statement on the Comprehensive Promotion of the ‘Strategic Partnership’ between Neighboring Countries Connected by Special Bonds of Friendship (hereinafter the Joint Statement).” Regarding maritime security, the Joint Statement confirmed anew that two countries of Japan and the Philippines are maritime nations that commonly share the sea lines of communications, and it is necessary that they should strengthen bilateral cooperation in maritime areas. Additionally, regarding maritime security, two leaders confirmed that the South China Sea is vital, and that peace and stability therein is of common interest to the international community. As leaders of countries sharing sea lines of communication, they also confirmed that freedom of navigation, unimpeded commerce, and compliance with established international law including the UNCLOS and the peaceful settlement of disputes serve the interests of the two countries and the whole region. They shared the recognition that these same interests should also be advanced and protected in the South China Sea.

An outline of the article: On September 27, Prime Minister Yoshihiko Noda held a summit meeting at the Prime Minister’s Office with H.E. Mr. Benigno S. Aquino III, President of the Republic of the Philippines, who was on a visit to Japan. According to the Ministry of Foreign Affairs of Japan, two leaders agreed to frequently have dialogues between heads and cabinet class level officials, to have various political dialogues including a start of vice-ministerial level strategic dialogues, and to strengthen communication and cooperation between maritime security organizations and the defense authorities concerned. After the summit meeting, the two leaders

signed the “Japan-Philippines Joint Statement on the Comprehensive Promotion of the ‘Strategic Partnership’ between Neighboring Countries Connected by Special Bonds of Friendship.”

Regarding cooperation in the field of maritime affairs, Japan-Philippine Joint Statement mentions as follows:

- (1) The two leaders reaffirmed the necessity of strengthening bilateral cooperation in the field of maritime affairs between Japan and the Republic of the Philippines, being two maritime countries sharing sea lines of communication. They shared the recognition that piracy off the coast of Somalia is a serious threat to maritime security and the safety of maritime navigation. President Aquino expressed his gratitude for the escort operations by the Japan Self Defense Forces with Japan Coast Guard officers aboard, off the coast of Somalia, which benefit Filipino seafarers on board ships plying the area. The two leaders also welcomed the important role that the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP) has played in combating piracy in Asia.
- (2) The two leaders welcomed the first Japan-Philippines Dialogue on Maritime and Oceanic Affairs held on 9 September 2011, and decided to enhance the cooperation and coordination between their maritime safety authorities through such measures as the dispatch of patrol vessels of the Japan Coast Guard to the Republic of the Philippines for trainings for the Philippine Coast Guard (PCG) based on mutual consent and the support for the capacity building of the PCG. They also decided to promote exchanges and cooperation between their defense authorities, such as reciprocal visits between the Chief of Staff of Japanese Maritime Self Defense Forces (JMSDF) and the Flag Officer of the Philippine Navy, port calls in the Republic of the Philippines by JMSDF vessels, and the holding of the Japan-Philippines Maritime Chief of Staff Meeting.

Regarding the maritime security, Japan-Philippine Joint Statement mentions as follows:

- (1) President Aquino affirmed the Philippines' commitment to the Declaration on the Conduct of Parties in the South China Sea (DOC) and to the peaceful resolution of maritime disputes over the South China Sea, while stressing the need for a rules-based regime for addressing and resolving disputes and promoting cooperation. The two leaders welcomed the adoption of the Guidelines for the Implementation of the DOC and expressed their hope for the early formulation of a legally-binding Code of Conduct (COC) that is consistent with established international law.
- (2) The two leaders confirmed that the South China Sea is vital, as it connects the world and the Asia Pacific region, and that peace and stability therein is of common interest to the international community. As leaders of countries sharing sea lines of communication, they also confirmed that freedom of navigation, unimpeded commerce, and compliance with established international law including the United Nations Convention on the Law of the Sea (UNCLOS) and the peaceful settlement of disputes serve the interests of the two countries and the whole region. They shared the recognition that these same interests should also be advanced and protected in the South China Sea.

Refer to the article: Japan-Philippines Summit Meeting (Outline)

http://www.mofa.go.jp/mofaj/kaidan/s_noda/philippines_1109.html

Japan-Philippines Joint Statement on the Comprehensive Promotion of the "Strategic Partnership" between Neighboring Countries Connected by Special Bonds of Friendship

<http://www.kantei.go.jp/jp/noda/statement/201109/27philippines.html>

1.4 Diplomacy and International Relations

September 3 “Sri Lanka denies presence of Chinese spy ship in Colombo” (Truth Dive.com, September 3, 2011)

On the 3rd, regarding the Chinese research ship that entered Colombo, Sri Lanka navy spokesman said, “We have not found any suspicious equipment on board any Chinese vessels.” The spokesman denied any doubt about the ship. The Indian Navy sources said the Chinese ship was mapping the Indian Ocean and collecting Bathymetric data, which is indispensable to submarine and aircraft carrier based operations.

An outline of the article: On the 3rd, regarding the Chinese research ship that entered Colombo, Sri Lanka navy spokesman said, “We have not found any suspicious equipment on board any Chinese vessels.” The spokesman denied any doubt about the ship. The ship was detected near the coast of Little Andaman. Indian naval ship tailed the ship until it entered Sri Lankan waters and moved towards Colombo port. The Indian Navy ship that tailed it detected that had as many as 22 laboratories on board. The Indian Navy sources said the Chinese ship was mapping the Indian Ocean and collecting Bathymetric data, which is indispensable to submarine and aircraft carrier based operations. The labs on board the ship are also believed to have been used to collect data on Ocean currents, the temperature at various depths and also underwater obstructions and obstacles.

Refer to the article: Sri Lanka denies presence of Chinese spy ship

<http://truthdive.com/2011/09/03/sri-lanka-denies-presence-of-chinese-spy-ship.html>

Note: Regarding detection of this ship by the Indian navy, see 1.4 Diplomacy and International Relations in OPRF MARINT Monthly Report, August 2011.

September 5 “Asia maritime conference is needed to avoid future clash: U.S. expert” (The Wall Street Journal, September 5, 2011)

Contributing an article titled “Asia's Great Naval Rivalry” to the U.S. newspaper, *The Wall Street Journal*, on the 5th, Professor Mohan Malik at the Asia-Pacific Center for Security Studies, Honolulu, mentions in it that, in consideration of present situation in which the Chinese and Indian navies are showing off their flags in the Indian Ocean and the South China Sea respectively, competing for geopolitical influence, the author is advocating a naval conference of major stakeholders in the Indian and Pacific Oceans by the respective nations concerned to avoid

the future clashes.

An outline of the article: Contributing an article titled “Asia's Great Naval Rivalry” to the U.S. newspaper, *The Wall Street Journal*, on the 5th, Professor Mohan Malik at the Asia-Pacific Center for Security Studies, Honolulu, mentions in it that, in consideration of present situation in which the Chinese and Indian navies are showing off their flags in the Indian Ocean and the South China Sea respectively, competing for geopolitical influence, the author is advocating a naval conference of major stakeholders in the Indian and Pacific Oceans by the respective nations concerned to avoid the future clashes. The outline of the article is as follows.

- (1) India shares Vietnam's views on China at many points. Having an unsettled border issue, India and China also compete for geopolitical influence, especially as they scramble for energy resources. Beijing strongly protested the 2007 Vietnamese-Indian energy exploration project in the disputed waters of the South China Sea. India is maneuvering for advantage in those spheres of influence that overlap with China. At this point, Vietnam could be to India what Pakistan is to China —a friend because it could be the enemy of its enemy in the same strategic position.
- (2) The geopolitical chess game intensifies as Chinese and Indian navies show off their flags in the Indian and Pacific oceans with greater frequency. India, for one, is wary of leaving its trade and energy supply routes in the Pacific Ocean to the goodwill of China's navy. India's total trade volume with East Asian economies now exceeds that with the European Union or the United States, while more than half of India's trade now goes through the Malacca and Singapore Straits. This economic reality drives strategy. As part of its “Look East” strategy, India has concluded over a dozen defense cooperation agreements over the last decade with Southeast and East Asian countries. Not surprisingly, Beijing casts a wary eye on its neighbor's “Look East” policy. It has protested India's joint naval exercises with the United States, Japan, Vietnam and Singapore in the East China and South China Seas. Beijing believes all this has been encouraged by Japan and the U.S. to contain China. Much to China's chagrin, India's naval activism has encouraged countries ranging from South Korea and Japan to Vietnam and Indonesia to “view India as a possible counterweight to future China in Southeast Asia.” (Refer to the OPRF MARINT Monthly Report, January 2011, 1.4 Diplomacy and International Relation, January 25 “Indonesia, India agree to promote ties.”)
- (3) On current trends, their maritime rivalry between New Delhi and Beijing could spill into the open in a decade or two, when one Indian aircraft carrier will be deployed in the Pacific Ocean and one Chinese aircraft carrier in the Indian Ocean. The ostensible reason will be to safeguard each other's sea lanes of communication. But, in the absence of rules of engagement and mutual trust, trouble could easily brew. Unresolved disputes, competition for scarce resources, and status and prestige considerations one day can precipitate an armed conflict the next. Since all maritime trading powers have a common interest in the freedom of navigation across the global seas, there is an urgent need to frame rules as well as boost confidence-building measures among regional navies. The Indian Ocean can't be

treated as India's ocean and the South China Sea as China's sea.

- (4) At the bilateral level, avoiding accidental provocations ought to be accorded high priority. A good starting point could be an agreement such as the 1972 Incidents at Sea agreement between the U.S. and the Soviet Union. India isn't the only country that needs such a bilateral understanding with China. Japan does too. Even if multiple bilateral treaties could work, the time is right for strong multilateral action, as China and India have themselves hinted. A naval conference of major stakeholders in the Indian and Pacific Oceans is sorely needed—attended mainly by navy chiefs from the United States, Japan, South Korea, China, Australia, Indonesia and India—to devise common approaches to challenges. Such an inclusive forum would bring together all major economies and energy consumers with an interest in ensuring secure sea lanes and stable, affordable energy supplies. If such broad multilateralism doesn't work, a smaller, four-party naval conference involving the United States, China, India and Japan—the countries possessing the four most powerful navies in the Asia-Pacific—would be in order and useful.

Refer to the article: Asia's Great Naval Rivalry

http://online.wsj.com/article/SB10001424053111904537404576551934186873612.html?mod=googlenews_wsj



India's sole active aircraft carrier, INS *Viraat*, and China's aircraft carrier during an initial sea trial

Source: Left: The Wall Street Journal, September 5, 2011, Right: Shnghaiist.com, August 12, 2011

September 6 “After 10 years since September 11, military multi-polar world with power shift to Asia occurs: R. Kaplan” (CNAS Commentary, September 6, 2011)

Contributing an article titled “The 9/11 Decade” to the Center for a New American Security (CNAS) Commentary dated the 6th, the Robert Kaplan – a journalist at the U.S. journal, *The Atlantic*, and senior fellow of the U.S. think tank, CNAS - said in it that after 10 years since September 11, we are entering a multi-polar world in a military sense, and a power shift has gone unnoticed in Asia. Kaplan points out: (a) Ironically, by dampening the American desire for ground interventions, the Iraq War will enhance American national power over the long haul by allowing the United States to concentrate on projecting naval and air power in the maritime Indo-Pacific region. (b) That might turn out to be the ultimate legacy of 9/11.

An outline of the article: Contributing an article titled “The 9/11 Decade” to the Center for a New American Security (CNAS) Commentary dated the 6th, the Robert Kaplan – a journalist at the U.S. journal, *The Atlantic*, and senior fellow of the U.S. think tank, CNAS - said in it that, after 10 years since September 11, we are entering a multi-polar world in a military sense, and a power shift has gone unnoticed in Asia. The gist of the article is as follows.

- (1) When years passed since November 11, 2001, we are entering a multi-polar world in a military sense as well. Although U.S. soldiers and marines have slogged their way through the mountains of Afghanistan and the alleyways of Iraq, countries of the Indo-Pacific region have been quietly building their maritime, air, cyber and space capacities. This is nothing less than a power shift that has gone unnoticed because the attention of the public has been focused almost exclusively on events in Southwest Asia. To be sure neither China nor India – or any other country in the greater Indian Ocean or Western Pacific region – is about to challenge U.S. military dominance: America is declining only very gradually, and in relative terms. But a point of inflection has been reached.
- (2) The U.S. Navy reduced its fleet of nearly 600 warships in the 1980s to nearly 300 today with a significant number of hulls scheduled to retire in the 2020s. In the meantime China has a shop-till-you-drop attitude toward acquiring submarines and India is building one of the world’s largest navies. Similar trends hold for air forces. It is ironic that the trend away from American predominance is unfolding as the Army and Marine Corps, despite the enormous manpower strains placed on them by the operational tempo of two wars, have improved qualitatively beyond measure.
- (3) The last decade’s narrative was less about 9/11 itself than what those disastrous attacks led President George W. Bush to do: start two wars rather than one. Although the Iraq War did not in and of itself cause America’s relative decline, it is symbolic and symptomatic of that trend. Ten years after 9/11 the United States has roughly speaking two kinds of militaries: one with ground forces oriented toward counterinsurgency operations and the other with naval and air forces maintaining the balance of power in the Indian Ocean and Western Pacific. With budget cuts sure to affect defense capabilities over the coming years, it will become harder and harder to accomplish both missions. Thus curtailing the effects of China’s military rise could mean restraining the appetite for Bosnia- and Libya-style interventions. Ironically, by dampening the American desire for ground interventions, the Iraq War will enhance American national power over the long haul by allowing the United States to concentrate on projecting naval and air power in the maritime Indo-Pacific region. That might turn out to be the ultimate legacy of 9/11.

Refer to the article: The 9/11 Decade

<http://www.cnas.org/node/6926>

**September 15 “U.S., Australia hold foreign and defense ministers’ meetings”
(American Forces Press Service, September 16, 2011)**

On the 15th, Australia and the United States held the annual Australia-U.S. Ministerial Consultations, called AUSMIN, in San Francisco, California. In the AUSMIN attended the U.S. Defense Secretary Leon E. Panetta and Secretary of State Hillary Rodham Clinton and their Australian counterparts, Foreign Minister Kevin Rudd and Defense Minister Stephen Smith. After the meeting, the leaders released a 2011 Joint Communiqué, in which they confirmed that the U.S.-Australia alliance is an anchor in the Asia-Pacific Region and two nations should further cooperate toward an accomplishment of the objective of developing the strategic environment in the Indian and Pacific Oceans.

An outline of the article: On the 15th, Australia and the United States held the annual Australia-U.S. Ministerial Consultations, called AUSMIN, in San Francisco, California. In the AUSMIN attended the U.S. Defense Secretary Leon E. Panetta and Secretary of State Hillary Rodham Clinton and their Australian counterparts, Foreign Minister Kevin Rudd and Defense Minister Stephen Smith. The meeting was held on the 60th anniversary of the signing of the treaty at the Presidio by Australia, New Zealand and the United States in 1951. After the meeting, the leaders released a 2011 Joint Communiqué, in which they confirmed that the U.S.-Australia alliance is an anchor in the Asia-Pacific Region and two nations should further cooperate toward an accomplishment of the objective of developing the strategic environment in the Indian and Pacific Oceans. The gist of the Joint Communiqué (J/C) is as follows:

- (1) Regarding Japan, J/C is pointing out that two Parties will:
 - (a) Support the U.S.-Japan alliance, which is critical to peace and security in East Asia, and the developing Australia-Japan defense and security relationship, and take steps to further increase interoperability and training opportunities among the three countries.
 - (b) Enhance trilateral policy coordination among Australia, Japan, and the United States on a range of regional and global security issues through the Trilateral Strategic Dialogue and the trilateral Security and Defense Cooperation Forum.
- (2) Concerning China, J/C is pointing out that two Parties will:
 - (a) Welcome the emergence of a stable, peaceful and prosperous China that plays a constructive role in Asian and global affairs.
 - (b) Seek to build a positive, cooperative and comprehensive relationship with China and others.
- (3) As for the South China Sea Issues, J/C is pointing out that two Parties will:
 - (a) Reiterate that the United States and Australia, along with the international community, have a national interest in freedom of navigation, the maintenance of peace and stability, respect for international law, and unimpeded lawful commerce in the South China Sea.
 - (b) Reaffirm that we do not take a position on the competing territorial claims in the South China Sea and call on governments to clarify and pursue their territorial claims and accompanying maritime rights in accordance with international law, including the Law

- of the Sea Convention.
- (c) Reaffirm that that the United States and Australia support the 2002 ASEAN-China Declaration on the Conduct of Parties in the South China Sea and encourage each of the parties to comply with their commitments, including exercising self-restraint and resolving their disputes through peaceful means, and to make progress towards a binding code of conduct.
 - (d) Reiterate that we oppose the use of coercion or force to advance the claims of any party or interfere with legitimate economic activity.
- (4) About strengthening force posture and alliance cooperation, J/C is pointing out that two Parties:
- (a) Last year, established a bilateral working group to develop options to align our respective force postures in ways that would benefit the national security of both countries and which will help us to shape the emerging regional security environment.
 - (b) Together, refined and assessed a range of potential cooperative initiatives, including options for increased U.S. access to Australian training, exercise and test ranges, and the pre-positioning of U.S. equipment in Australia, options for greater use by the United States of Australian facilities and ports, and options for joint and combined activities in the region.

Refer to the article: U.S., Australia Tackle 21st-century Challenges

<http://www.defense.gov/news/newsarticle.aspx?id=65358>

Australia-United States Ministerial Consultations (AUSMIN) 2011 Joint Communiqué

<http://www.state.gov/r/pa/prs/ps/2011/09/172517.htm>

September 16 “Military of China’s ‘String of Pearls difficult: Australian expert” (Yale Global, September 16, 2011)

On the 16th, Ashley S. Townshend, research associate at the Lowy Institute for International Policy, Sydney, and a former visiting fellow at the Strategic and Defence Studies Centre, Australian National University, contributed an article titled “Unraveling China’s ‘String of Pearls’” to the U.S. online journal, Yale Global. Regarding China’s “String of Pearls,” the author is pointing out that: (a) it would be difficult for China to militarized ‘String of Pearls;’ (b) reliance on maritime transport of energy is regarded to be a strong motive for maintaining maritime security for Beijing as well as the United States, India and other maritime nations; (c) the greatest task in Asia is not to build naval forces against confrontations but to reduce tension in the ocean to keep order in the theater.

An outline of the article: Contributing an article titled “Unraveling China’s ‘String of Pearls’” to the U.S. online journal, Yale Global, on the 16th, Ashley S. Townshend, research associate at the Lowy Institute for International Policy, Sydney, and a former visiting fellow at the Strategic and Defence Studies Centre, Australian National University, pointed out in it that, regarding China’s “String of Pearls,” it would be difficult for China to turn the harbor into the military base. The gist of the article is as follows.

- (1) Crucially, there's no evidence to suggest the People's Liberation Army Navy (PLAN) is involved with these ports. Nor is there any proof to support claims that "listening posts" and "monitoring stations" have been hidden amidst the cranes. On the contrary, China's "pearls" appear to be what Beijing says they are: conventional shipping facilities designed to connect China's landlocked western provinces to maritime trade routes in the Indian Ocean. This doesn't mean they lack strategic value. The South Asian harbors and their overland conduits to China will permit some Chinese-bound tankers to offload Persian Gulf oil without having to sail all the way to East Asian waters. Such arrangements will reduce China's dependence on precarious shipping routes through the Malacca Strait "chokepoint."
- (2) Even if China's leaders were contemplating militarizing these "pearls," there are serious doubts about the feasibility of such a scheme. Diplomatically, Beijing would find it difficult to convince its South Asian counterparts that hosting PLAN bases is in their best interests. As "swing players" in an emerging Indo-Pacific "great game," the littoral states of the Indian Ocean stand to gain more by oscillating between Beijing, New Delhi and Washington than by aligning with any one of the three. Whatever sweeteners China might offer, it's hard to imagine that any South Asian regime would jeopardize this geopolitical flexibility for a PLAN pied-à-terre and political blessing from Beijing. While some, notably Pakistan, may be tempted to provide berthing rights to PLAN warships, such moves would fall short of granting China sovereign bases abroad.
- (3) Establishing a "string of pearls" would face serious practical obstacles. Transforming commercial ports into defensible forward bases requires high levels of technical, logistical and strategic expertise. Despite the PLAN's growing proficiency, the demands of this Mahanian task would probably exceed China's capabilities for at least another decade. The PLAN would find it almost impossible to defend isolated naval bases from cruise-missile strikes or airborne attacks by potential US or Indian adversaries.
- (4) Why would China invest billions in South Asian bases that would be impotent during wartime? Acutely aware of the strangulation threat Indian and US forces pose to Beijing's Indo-Pacific energy supply lines, some Chinese strategists have advocated offshore naval bases as a means of protecting China's economic interests overseas. As forward bases would permit Chinese warships to wield some "tit-for-tat" coercive power over Indian and American vessels, Beijing's modest objective would be to project limited sea power for deterrence – not to position the PLAN for great power confrontations. Yet China is unlikely to achieve even this limited goal. As the prevailing Indian Ocean power balance is tilted in favor of Washington and New Delhi, Beijing's capacity to influence international sea lanes remains grossly inferior.
- (5) While current geopolitical and military obstacles appear unlikely to be overcome any time soon, it's true that Beijing's Indian Ocean objectives are not purely commercial. Chinese leaders are reticent to continue outsourcing their nation's sea-lane security to US and Indian flotillas. As concerns about energy security intensify, Beijing will almost certainly

seek a more permanent naval presence in the Indian Ocean. At a minimum, this will require access to deep-water ports for PLAN vessels to rest, refuel and possibly refit. This could, of course, be achieved by negotiating long-term berthing arrangements at various South Asian ports. Yet China may well pursue the strategic advantages of full-fledged naval bases.

- (6) Whatever naval facilities are developed by China over time, it's difficult to envisage a scenario in which Beijing would be willing to undermine maritime security in the Indian Ocean. Dependence on seaborne energy supplies is likely to instill in Beijing – like the US, India and other maritime powers – a powerful incentive for stability at sea. While the myth of a Chinese “string of pearls” will continue to trouble US and Indian analysts, it's important to recall that all Indo-Pacific states depend on unfettered Indian Ocean trade. Asia's greatest challenge is not to position naval forces in preparation for conflict, but to defuse maritime tensions for the sake of regional order.

Refer to the article: Unraveling China's “String of Pearls”

<http://yaleglobal.yale.edu/print/7305>

Note: Ashley S. Townshend also contributed an article titled “Few reasons to fear China's ‘pearls’” to *The Australian* on May 27. See 1. 4. Topic in OPRF MARINT Monthly report, May 2011.



Gwadar dreaming: Chinese-built Port of Gwadar in Pakistan awaits ship arrivals

Source Yale Global, September 16, 2011

1.5 Shipping, Shipbuilding and Harbors

September 7 “Oil tankers outpacing global oil demand” (gCaptain, September 7, 2011)

A growing number of oil tankers are dropping anchor as the rate of ship construction outpaces global oil demand. While the construction of global crude tanker fleet, which includes Very Large Crude Carriers, or VLCCs, increased by 9.1% in 2011 compared with the previous year, oil demand is forecast to grow only 1.4% this year.

An outline of the article: A growing number of oil tankers are dropping anchor as the rate of ship construction outpaces global oil demand. According to the Baltic and International Maritime Council’s chief shipping analyst, the global crude tanker fleet, which includes Very Large Crude Carriers, or VLCCs, can carry up to 2 million barrels of crude oil—to grow by 9.1% in 2011.

On the other hand, oil demand growth is only forecast to grow 1.4% this year, according to the International Energy Agency (IEA). According to BIMCO, so far, 42 VLCCs have already been delivered in 2011, with only six reported sold for recycling, and the period of time for which oil tankers are idled is seen growing.

Refer to the article: Tankers Idling Longer As Fleet Growth Outpaces Global Oil Demand
<http://gcaptain.com/tankers-idling-longer-fleet-growth?30630>

1.6 Ocean Resources, Energy, Marine Environment and Others

September 17 “China announces Seabed Mineral Resources and Development Plan in Indian Ocean” (iSikkim, September 18, 2011)

On the 17th, China announced plans to expand its seabed mineral explorations in the Indian Ocean. Beijing already got approval from International Seabed Authority (ISA) to explore 10,000 sq km seabed area in the South West Indian Ocean Ridge for the ore in July. The China Ocean Mineral Resources and Development Association (COMRA) will sign a 15-year exploration contract with International Seabed Authority (ISA) by the end of 2011.

An outline of the article: On the 17th, China announced plans to expand its seabed mineral explorations in the Indian Ocean. Beijing already got approval from International Seabed Authority (ISA) to explore 10,000 sq km seabed area in the South West Indian Ocean Ridge for the ore in July. The China Ocean Mineral Resources and Development Association (COMRA) will sign a 15-year exploration contract with International Seabed Authority (ISA) by the end of 2011. The approval will grant China pre-emptive rights to develop the ore deposit in future. China has also obtained exclusive rights to prospect in a 75,000-square-km polymetallic nodule ore deposit in the east Pacific Ocean in 2001. On the 16th, Chinese also released a guideline on the oceanic science and technology development between 2011 and 2015, vowing to invest more to boost the

country's maritime economy. The move has raised concerns in India with Directorate of Naval Intelligence (DNI) informing the Indian government that the contract would provide an excuse for China to operate its warships besides compiling data on the vast mineral resources in India's backyard. India is the first country to have received the status of a Pioneer Investor in August, 1987. India was allocated an area of 150,000 sq. km by UN for carrying out various developmental activities in Central Indian Ocean Basin (CIOB) in August, 1987. As per ISA regulations for exploration in the area, India also signed a contract of 15 years for various developmental activities in the area in 2002. However, during this period only half of the allocated area has been identified for further development. Beijing, given its remarkable ability, is expected to fully utilize the approval of exploration during the fifteen-year period.

Refer to the article: After South China sea row Beijing plans seabed mining in Indian Ocean
<http://isikkim.com/2011-09-after-south-china-sea-row-beijing-plans-seabed-mining-in-indian-ocean-181/>

2. Intelligence Assessment

U.S. Annual Report to Congress: “Military and Security Developments Involving the People’s Republic of China 2011”

On August 4, the U.S. Department of Defense (DOD) released the Annual Report to Congress: “Military and Security Developments Involving the People’s Republic of China 2011 (hereinafter the Report).”¹ This document is the tenth annual report on the overall list, which is the third issue during the Administration of the President Barack Obama as well as the second issue since the title of the report was changed into the one above-mentioned.

The current report has 83 pages in all, which is the same as the last year edition, and its composition and orders of chapters, including the subjects, are also the same. Regarding the table of contents, the Report is composed of the Summary in its first page, Chapter 1: Developments in 2011, Chapter 2: Understanding China’s Strategy, Chapter 3: Force Modernization Goals and Trends, Chapter 4: Resources for Force Modernization (Military Expenditure Trends and Defense Industries), Chapter 5: Force Modernization Security in the Taiwan Straits, and Chapter 6: U.S.-China Military-To-Military Contacts. The content of the Report has been updated, based on the trends in the past one year. The feature of the Report is that two topics of China’s Evolving Maritime Strategy and China’s Military Engagement have been taken up as the Special Topics. Although the former China’s Evolving Maritime Strategy is to be mentioned in detail below, regarding the China’s Military Engagement, it was taken up in the 2009 edition as China’s Global Military Engagement as a special topic. There, the 2009 edition reported the increasing activities of China’s overseas military engagements since 2002, including the traditional military diplomacy, joint exercises, peacekeeping operations, humanitarian assistance/disaster relief, and arms sales, which have been updated by the Report in order of the respective items.

In the Report, looking from the content of an overall description, the alert for the trends of Chinese military power which lacks transparency is common to the one in the reports during the Administration of President George W. Bush.

On August 24, briefing Pentagon reporters on the report, Michael Schiffer, deputy assistant secretary of defense for East Asia, said, “The pace and scope of China's sustained military investment have allowed China to pursue capabilities that we believe are potentially destabilizing to regional military balances, increase the risk of misunderstanding and miscalculation, and may contribute to regional tensions and anxieties.” Moreover, Schiffer mentioned that the Chinese have made some incremental improvements in transparency in recent years, but a number of uncertainties remain. He stressed, “We will continue, and we do continue, to encourage China to improve transparency and openness, to act in ways that support and strengthen common political, economic and diplomatic interests of the region and of the

¹ Refer to the full text of the Report:
http://www.defense.gov/pubs/pdfs/2011_CMPR_Final.pdf

international community.”

Below are the main features of the recent Report, looking from the areas of our interest in this monthly report.

1. Military balance in the Taiwan Strait

For the time being, it is unchangeable that China’s emphasis of strengthening military power is placed in building up the capabilities of settling conflict in the Taiwan Strait. Despite a marked improvement in tension of cross-Strait ties since the election in Taiwan of President Ma Ying-jeou, China continues its military modernization in the Taiwan Straits. The Report is pointing out that, in the current decade to 2020, the PLA is likely to steadily expand its military options for Taiwan, including those to deter, delay, or deny third party intervention. (See 2L: figure indicates the number of the respective pages in the original text, while L indicates the left-side and R indicates the right-side of two groups of the sentences placed side by side in the same page, respectively. Following is the same as above.) According to the report, although the People’s Liberation Army (PLA) probably lacks the necessary military power to successfully conduct a full-scale amphibious invasion of Taiwan at present, it is working to close perceived capability gaps in the coming years. (47R)

On the other hand, China’s military power in the Taiwan Strait has not been necessarily increased significantly. For example, regarding the missile force, the 2009 edition of the annual report said, by September 2008, the PLA had deployed between 1,050 and 1,150 mobile CSS-6 and CSS-7 short-range ballistic missiles (SRBM) to units opposite Taiwan, and it was pointing out that the PLA was increasing the SRBM’s at a pace of more than 100 annually. In the 2010 edition, it is reported that, by December 2009, the PLA had deployed between 1,050 and 1,150 mobile CSS-6 and CSS-7 SRBM to units opposite Taiwan. According to the Report, by December 2010, the PLA had deployed between 1,000 and 1,200 mobile CSS-6 and CSS-7 SRBM to units opposite Taiwan (2R), which remains nearly constant in quantity for the past three years. Deployment of SRBM’s to units opposite Taiwan since 2000 may have reached the level of fulfilling the requirements in quantity. On the other hand, to improve the lethality of this force, the PLA is introducing variants of missiles with improved ranges, accuracies, and payloads. (2R)

Regarding the PLA Air Force (PLAAF) and the PLA Navy, China has approximately 2,300 operational combat aircraft. Of them, currently, 490 aircraft could conduct combat operations against Taiwan without refueling. Moreover, this number could be significantly increased through any combination of aircraft forward deployment, decreased ordnance loads, or altered mission profiles. On the other hand, Taiwan has 388 operational aircraft, which remains constant for the past three years. (76)

Regarding the PLA Navy, in the event of a major Taiwan conflict, the East and South Sea Fleet would be expected to participate in direct action against the Taiwan Navy. The Naval Forces of the East and South Sea Fleets combined consist of 16 destroyers (of 26 in total), 44 frigates (of 53 in total), 25 tank landing ships/amphibious transport docks (of 27 in total), 21 medium landing ships (of 28 in total), 33 diesel attack submarines (of 49 in total), and two nuclear attack

submarines (of five in total). (74) In light of the trend during the three years, except an increase of five frigates (an increase of five in total), the number of the other vessels is approximately the same. Sixty-eight coastal patrol missile boats (of 86 in total) show a significant increase compared with 55 (of 70 in total) in the 2009 edition. On the other hand, the Naval Forces of Taiwan consists of four destroyers, 22 frigates, 12 tank landing ships/amphibious transport docks, four medium landing ships, four diesel attack submarines, which is the same during the past three years, except that the number of 61 coastal patrol missile boats shows an increase of two boats. (74)

Although the trend of military balance in two coasts of the Taiwan Straits has a serious implication in Japan's security, the Report gives an assessment that the balance of cross-Straits military forces and capabilities continues to shift in the mainland's favor. (I , 7) This is an assessment maintained from the 2007 edition. However, Taiwan has historically relied upon multiple factors to deter PLA aggression: the PLA's inability to project sufficient power across the 185 km Taiwan Strait; the Taiwan military's technological superiority; the inherent geographic advantages of island defense; and the possibility of U.S. intervention. Nevertheless, it is noteworthy that the current Report is pointing out: "China's increasingly modern weapons and platforms threaten to negate many of those factors upon which Taiwan has depended."(47R)

2. Anti-access/area denial capability developments

- (1) According to the Report, as part of its planning for a regional contingency, China is developing measures to deter or counter third-party intervention, including by the United States, in case of Taiwan contingency. Although many of these capabilities were developed with a focus on Taiwan, they have broad applications and implications extending beyond a Taiwan scenario. China's approach to this challenge, which it refers to as counter-intervention, is manifested in a sustained effort to develop the capability to attack, at long ranges, military forces that might deploy or operate within the western Pacific. The U.S. Department of Defense characterizes these as "anti-access (A2)" and "area denial (AD)" capabilities. China is pursuing a variety of air, sea, undersea, space, counter-space, information warfare systems, and operational concepts to achieve this capability, moving toward an array of overlapping, multilayered offensive capabilities extending from China's coast into the western Pacific. (28L)

The A2/AD capabilities are what worry the United States. As the reach of China's A2/AD capabilities is extended, the western Pacific which is the frontline of the U.S. national strategy is becoming the maritime area where the strategies of the United States and China are gradually crossing and hostile to each other.

- (2) According to the Report, as the A2/AD capabilities, the PLA Navy possesses some 75 principal surface combatants, more than 60 submarines, 55 medium and large amphibious ships, and roughly 85 missile-equipped small combatants. (3L) Although the size of the naval forces is the same as the one in the 2010 edition, except missile patrol boats, the Report estimates that: (a) In contrast to the fleet just a decade ago, many PLA Navy's combatants are equipped with advanced air-defense systems and modern ant-ship cruise

- missiles (ASCMs), with ranges in excess of 185 km. (b) These capabilities not only increase the lethality of PLA Navy platforms, particularly in the area of anti-surface warfare (ASuW), but also enable them to operate beyond the range of land-based air defenses. (3L)
- (3) Regarding the developments of naval forces in the past one year, the Report is pointing out as follows.
- (a) The PLA Navy is improving its over-the-horizon (OTH) targeting capability with sky wave and surface wave OTH radars. In combination with early-warning aircraft, unmanned aerial vehicles (UAVs), and other surveillance and reconnaissance equipment, the sky wave OTH radar allows the PRC to carry out surveillance and reconnaissance over the western Pacific. The OTH radars can be used in conjunction with reconnaissance satellites to locate targets at great distances from the PRC, thereby supporting long-range precision strikes, including employment of anti-ship ballistic missiles ASBMs. (3R)
- (b) China continues to produce a new class of nuclear-powered ballistic missile submarine (SSBN). *Jin*-class (Type 094) SSBNs will eventually carry the JL-2 submarine-launched ballistic missile with an estimated range of some 7,400 km. The *Jin* and the JL-2 will give the PLA Navy its first credible sea-based nuclear capability. Although DOD initially forecast the JL-2 would reach initial operational capability (IOC) by 2010, the program has faced repeated delays. (3R, 4L)
- (c) China has expanded its force of nuclear-powered attack submarines (SSN). Two second-generation *Shang*-class (Type 093) SSNs are already in service and as many as five third-generation Type 095 SSNs will be added in the coming years. When complete, the Type 095 will incorporate better quieting technology, improving its capability to conduct a range of missions from surveillance to the interdiction of surface vessels with torpedoes and ASCMs. (4L)
- (d) The current mainstay modern diesel powered attack submarines (SS) in the PLA Navy's submarine force are the 13 *Song*-class (Type 039) units. Each can carry the YJ-82 ASCM. The follow-on to the *Song* is the *Yuan*-class SS; as many as four of which are already in service. The *Yuan*-class SS might also include an air-independent power system. The *Song*, *Yuan*, *Shang* and the still-to-be-deployed Type 095 all will be capable of launching the long-range CH-SS-NX-13 ASCM, once the missile completes development and testing. (4L)
- (e) The PLA Navy has acquired a new generation of domestically produced surface combatants. These include at least two *Luyang II*-class (Type 052C) DDGs fitted with the indigenous HHQ-9 long-range surface-to-air missile (SAM) with additional hulls under construction; two *Luzhou*-class (Type 051C) DDGs equipped with the Russian SA-N-20 long-range SAM; and as many as eight *Jiangkai II*-class (Type 054A) guided-missile frigates (FFG) fitted with the medium-range HHQ-16 vertically launched naval SAM. These ships significantly improve the PLA Navy's area air defense capability, which will be critical as the PLA Navy expands its operations into "distant

- seas,” beyond the range of shore-based air defense. (4L, R)
- (f) China has deployed some 60 of its new *Houbei*-class (Type 022) wave-piercing catamaran hull missile patrol boats. Each boat can carry up to eight YJ-83 ASCMs. These ships have increased the PLA Navy’s littoral warfare capabilities. (4L)
- (g) Regarding an anti-ship ballistic missile (ASBM) which the United States is watching as a “carrier-killer,” the content of a description is basically the same as the one in the 2010 edition, which has not mentioned that China has reached initial operational capability (IOC). The Report says China is developing an anti-ship ballistic missile (ASBM) based on a variant of the CSS-5 medium-range ballistic missile (MRBM). Known as the DF-21D, this missile is intended to provide the PLA the capability to attack large ships, including aircraft carriers, in the western Pacific Ocean. The DF-21D has a range exceeding 1,500 km and is armed with a maneuverable warhead. (3L)
- (4) Regarding the new naval base on Hainan Island, it was mentioned for the first time in the 2009 edition. But the current Report says the PLA has now completed construction of a major naval base. According to the Report, the base is large enough to accommodate a mix of attack and ballistic missile submarines and advanced surface combatants, including aircraft carriers. Additionally, as for the strategic value of submarine tunnel facilities at the base, the Report is pointing out that the PLA navy could also deploy the submarines from this facility with reduced risk of detection. (3L, R) According to the current Report, as part of its military modernization effort, China has increasingly shifted resources away from the PLAN’s North Sea Fleet to the South Sea Fleet, greatly expanding the latter’s capabilities. China’s ability to deploy a more robust strategic and conventional military presence off its southern coast is having a growing impact on regional rivalries and power dynamics. (40L, R)

This maritime area has an importance sea-lane which is used for 80% of crude oil transport to Japan, South Korea and Taiwan, and the base on Hainan Island can make a direct access to the sea-lane in the South China Sea, which will have the important significance in the security in northeast Asia, including the areas from the Indian Ocean to Japan.

- (5) The China’s aircraft carrier ex-*Varyag* commenced its first five-day sea trial on August 10. The current Report made before the sea trial has not mentioned this fact as a matter of course, but, regarding the future of the ex-*Varyag*, the Report estimates that it will be used in the beginning as the training and evaluation-testing platform before having the limited operational capabilities eventually as the China-side claims. Regarding the aircraft carrier, the developments of the indigenous aircraft carrier have been mentioned in the column, where the following items are mainly pointed out. (46)
- (a) During the next decade China is likely to fulfill its carrier ambitions, becoming the last permanent member of the UN Security Council to obtain a carrier capability. The ex-*Varyag* is expected to be operational as an individual vessel without carrier-borne aircraft by the year 2012. However, it will take several years for an operationally viable

air group of fixed and rotary wing aircraft to achieve even a minimal level of combat capability. The PLA Navy has initiated a land-based program to begin training navy pilots to operate fixed-wing aircraft from an aircraft carrier. This program will probably be followed in about three years by full-scale ship-borne training aboard the ex-*Varyag*. As for the carrier aircraft, the PLA Navy is conducting the flight test of the J-15 which is reportedly an unlicensed copy of a Russian Su-33. (49)

- (b) China will likely build several additional carriers in its shipyards. Perhaps, they will be the same type (ski-jump) as the ex-*Varyag*. It is likely that the construction of China's first indigenous carrier will begin in 2011. In that case, it is estimated that the first indigenous carrier will achieve operational capability as early as 2015. (46) Regarding the roles of the aircraft carrier in Taiwan contingency, the Report is pointing out that, given the fact that Taiwan can be reached by land-based aviation, China's aircraft carrier program would offer very limited value in a Taiwan scenario and would require additional naval resources for protection. (38L)²

Regarding the deployment place of the carrier, military observers believe it would make most sense for the PLA Navy to station the carrier in either southern Guangdong or Hainan province. However, Chinese and foreign military experts said they expected the *Varyag* to remain in Dalian for now. "It will probably be put under the Dalian Naval Academy rather than become a command of its own," said a foreign military official in Beijing. "The carrier is likely to remain in Dalian," added a PLA officer who asked not to be identified. "Such an organizational set-up will also make clear that the carrier is indeed a training platform." The Dalian Naval Academy is the facility, which is training fighter pilots for China's new carrier group. A new training base for carrier fighters is also being built in the region.³ (Additionally, as we carried in this MARINT Monthly report, 1. 2 Military Developments, there is a report that the fourth Fleet is likely to be established anew.)

3. China's Evolving National Strategy

The Report is taking up "China's Evolving Maritime Strategy" (57 ~ 63) as a special topic. Here, the following points are mainly mentioned.

- (1) Since the early 1980s, two important factors catalyzed a transformation in Beijing's maritime outlook. First, China's geo-strategic environment fundamentally shifted after the Cold War ended. As PRC concerns over a major continental conflict, including the possibility of nuclear war with Russia, subsided, Beijing turned its attention towards a range of other challenges, particularly Taiwan. Second, there are China's expanding

² Regarding ex-*Varyag*, some articles that call it under the name of "Shi Lang" appear now and then in the western media. However, China-side says nothing about its name. Incidentally, "Shi Lang" was a Chinese general who was born in the last years of the Ming dynasty, and later took possession of Taiwan in 1683 by order of the Emperor Kangxi-the fourth emperor in the Shin dynasty. If the value of war potential as an aircraft carrier in Taiwan contingencies were extremely limited, and, considering the political influence over China-Taiwan relations, this name of the ship might be irrelevant. Anyway, if this aircraft carrier were to realize Chinese prestige as a great power, it is assumed that the name should involve some kind of a political message.

³"China's first aircraft carrier takes to sea," *Financial Times*, August 10, 2011

economic interests, including both maritime commerce and the exploitation of maritime resources. (57L, R) The following is mentioned the historical development of the maritime strategy shifting from “Offshore Defense” strategy in 1986 to “Far Sea Defense” strategy and to “diversified military missions,” including military operations other than war (MOOT) and others. (57 ~ 59) Moreover, the Report is taking up an argument in the column about the roles of China’s maritime power in the “Far Seas Defense.” It mentions whether or not some commentators are advocating the PLA Navy for a sustained shift from an “Offshore Defense” strategy to “Far Sea Defense” or simply an extension or adjustment of the existing strategy. Furthermore, it is of note that overseas military basing has been discussed. (61)

- (2) For the PLA, especially, for the Navy, Taiwan remains the main strategic direction, but China faces several high priority maritime challenges. (59R ~ 62L)
- (a) First is strengthening and gradually expanding China’s maritime buffer zone as a means to prevent foreign attack or interference.
 - (b) A second priority remains advancing China’s maritime territorial claims, particularly the East and South China Seas.
 - (c) Third, China is focused on the protection of regional sea lines of communication (SLOCs).
 - (d) Finally, China intends to deploy a survivable, sea-based nuclear deterrent in the foreseeable future.
- (3) Regarding the capability of distant operations, gaps remain. For example, the Gulf of Aden deployment has underscored the complexity of distant operations to China’s military and civilian leadership. According to an admiral who commanded the fleet dispatched to the Gulf of Aden said, “I’ve found the PLA Navy’s equipment is not particularly suited to blue water operations... and our equipment, our technology, especially our level of information infrastructure and communication means, as well as our blue water deployment capabilities still have a relatively long way to go to catch up with that of the Western countries.”

China’s regional operational capabilities have improved significantly over the past two decades. However, in the near term, China would face great difficulty projecting military power beyond regional waters during a sustained conflict. China lacks overseas bases and supply infrastructure. (62L, R)

- (4) The evolution of China’s economic and geo-strategic interests has fundamentally altered Beijing’s view of maritime power. China is addressing gaps in regional capabilities. Beyond immediate regional interests, China’s expanding maritime power might facilitate greater attention to maritime challenges further into the Pacific and Indian Oceans. The establishment of overseas bases and the development of more than a few aircraft carriers might signal a trend toward more global missions. (62R ~ 63)

Regarding the overseas facilities, it is not clear if China will pursue traditional military “bases,” suited for supporting distant combat operations, or a more limited set of logistical supply “places.”

4. Energy strategy and Sea Lane Defense

- (1) The Report is taking up issues on energy strategy and sea lane defense in the column. (20-21) China’s engagement, investment, and foreign construction related to energy continue to grow. Beijing has constructed or invested in energy projects in more than 50 countries, spanning nearly every continent. The Report is pointing out this ambitious investment in energy assets is driven primarily by two factors. First, Beijing is increasingly dependent upon imported energy to sustain its economy. Second, energy projects present a viable option for investing China’s vast foreign currency holdings.
- (2) Since 1993 China became an oil-importing nation, and aims to ensure reliable energy sources, as well as to diversify both producers and transport options, as shown in the chart below.
- (3) A second goal of Beijing’s foreign energy strategy is to alleviate China’s heavy dependence on Sea Lines of Communications (SLOCs), particularly the South China Sea and Strait of Malacca. In 2010, over 80 percent of China’s oil imports transited the South China Sea and Strait of Malacca. Therefore, China is seeking an option of bypassing the Strait of Malacca, as shown in the Chart below.



China’s import transit routes/critical chokepoints and proposed/under construction SLOC bypasses routes. (21)

- (4) As for the option of bypassing the Strait of Malacca which China pursues, there is a so-called “String of Pearls” strategy. This is a kind of strategy, in which China assists the construction of the ports, so-called “pearls,” in Pakistan, Sri Lanka, Bangladesh, and Myanmar (Burma), with which China connects its railroads, roads, and/or pipelines leading to the inland of China in order to avoid the chokepoints, including the Strait of Malacca and others, as well as maritime areas in Southeast Asia where the U.S. Navy is predominant. For instance, as shown in the chart above, the pipelines connecting between Myanmar and Kunming, Yunnan Province in China are under construction.

What is noteworthy in relation to an argument about the afore-mentioned overseas basing in China is whether or not China will use the ports in these countries, including the Gwadar Port in Pakistan and Sittwe in Burma, as the bases for the PLA Navy in future. As previously mentioned, the Report says it remains indefinite as for now whether or not China will pursue securing traditional military “bases,” or a more limited set of logistical supply “places.”

In either case, it will take a long time to militarize these “pearls,” and it is indispensable that the countries concerned where the “pearls” are located should allow China an exclusive access rights. As for now, no country has ever made its intention clear. Even though, China has been dispatching its fleet composed of naval combatants and a supply vessel frequently for the operations against Somali pirates in the Gulf of Aden on a rotational basis of several months, and repeating friendly port-visits to the countries in the region. It is assessed that China is aiming to gain experience in catching up with the distant sea operational capabilities of the western nations with a view to maintaining a constant presence in the Indian Ocean in future to secure the safety of its sea-lane.

(Regarding the recent commentary on China’s “String of Pearl” Strategy, refer to the OPRF MARINT Monthly Report, May, 2011, 1.4 Diplomacy and International Relations, and this Monthly Report, 1.4 Diplomacy and International Relations.)

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

Ocean Policy Research Foundation

3F, Kaiyo Senpaku Bldg., 15-16 Toranomom 1-Chome, Minato-ku, Tokyo 105-0001, Japan
TEL.81-3-3502-1828 FAX.81-3-3502-2033

The "Ship & Ocean Foundation" is operating under the name of "Ocean Policy Research Foundation"