

OPRF MARINT Monthly Report

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

Each source of information is described as an internet link in a bracket, which is available as URL online as of the end of July 2012.

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Retrospect: the First Half of 2012

Maritime Security : In hijacked incidents during January-June 2012, 2 incidents were recorded in January. While the following are 2 in February, 2 in March, 2 in April and 1 in May, no incidents were reported in June. Reversely, hostages-released incidents were 2 cases in January, 1 in February, 2 in April and 1 in June. On the 6th April, the Panama-registered cargo ship owned by Nanjing Ocean Shipping Co.,Ltd.(NASCO) in China MV *Xianghuamen* (18,160DWT) was hijacked by nine Somali pirates in the Sea of Oman near Iran's southern port of Chabahar. All 28 Chinese crew members became hostages. Just hours after Panama-flagged cargo ship MV *Xianghuamen* was hijacked by pirates, Iranian commandos stormed the vessel, rescuing the 28 Chinese crewmembers and capturing the nine pirates on board. Chinese news agency reported that the Chinese embassy in Iran had requested that Iran intervene militarily to free the vessel. The incidents that EU fleets captured pirate suspects were recorded 9 in the first half of 2012, which were 5 attacks in January, 1 in February, 1 in March and 2 in May. Those incidents are highly likely that fleets intercepted dhows which pirates use as mother ship, rescued fishermen and detained suspects.

In the evening of February 15, the security personnel of Italian ship MT *Enrica Lexie* (104,769DWT) fired and killed two Indian fishermen by accident off the coast of Kerala, South India, mistaking an Indian fishing ship for a pirate ship. On February 19, the two Italian guards were arrested and remanded to police custody after negotiations between Indian and Italian diplomats. The incident is the first

involving the death of innocent civilians at the hands of armed security personnel onboard ships. The two Italian could be facing murder charges under Section 302 of IPC. On February 20, the Italian government announced that it considered as within its jurisdiction since the incident took place in international waters on a ship flying the Italian flag. On March 29, India's Kerala High Court ordered the release of the Italian tanker, MV *Enrica Lexie*. The tanker has remained anchored at Kochi Port. On May 4, the Kerala High Court Kemal Pasha in India allowed the Italian-flagged MT *Enrica Lexie* operated by an Italian company to sail out of Indian waters.

On March 5, Greece decided to put its warship out of the European Union Anti-piracy Task Force for budgeted cost-reduction as part of dealing with its financial crisis. Deploying a frigate in the region costs 2.5 million euros per month. On March 23, European Union defense ministers agreed to allow military forces to enlarge operational deployments onto the land of Somalia and extend the period of Operation Atalanta for another two years, until the end of December 2014.

According to Shiptalk, dated January 18, Yemen prohibited ships with foreign armed guards to enter into its domestic ports. On the 30th, the Department of Foreign Affairs (DFA) of the Philippines has permitted Manila-flagged merchant vessels to employ private security guards to protect Filipino seafarers from Somali pirates in the Gulf of Aden and Indian Ocean. On April 23, the Cyprus Shipping Chamber welcomed the adoption of bill to deal with pirates for Cyprus ships by the Council of Ministers. With the approval of this Bill, it became possible to employ private security guards and Cyprus is likely the first country which adopted such bill stipulating details on private security guards for

anti-piracy. On June 11, the Dutch defense minister told that we have no intention to take private security guards on Dutch ships sailing the coast of East and West Africa where piracy attacks occur frequently. This was reaction to calls from insurers and ship owners who say that ships would be registered under flags of countries which can hire private armed guards, if the Government of Netherland cannot. The Dutch government does not allow ship owners to take armed guards on board, but it has deployed marines for protection. On June 12, the Indonesian transportation minister told that Indonesia opposes the proposed recruitment of private armed security guards (PCASP) on ships to maintain safety on international waters.

On March 23, Associate Press reported that private security firms use floating armories to store their guns. Ships that use floating armories pick up weapons before traveling through dangerous waters and give them back to different armories after going out of the waters. Storing guns on boats offshore really took off as a business in situations that sea transportation companies began to hire more private security guards for anti-piracy efforts in Somalia around 2011. Currently there are between 10 and 12 ships operating as floating armories.

The UAE's newspaper *The National* (electronic edition) dated May 13 reported that a security company plans to organize a naval force to escort merchant vessels as anti-piracy efforts. A private navy costing US\$70 million is being set to escort merchant ships through the pirate-infested Gulf of Aden. It will comprise a fleet of 18 ships and protect convoy merchant vessels along the Internationally Recognised Transit Corridor (IRTC). The fleet will be operated by the Convoy Escort Programme (CEP), a British company and CFP plans to operate till December.

The British magazine, *The Economist* dated April 14 reported about the trends of countries on private armed security guard and legal regulation for anti-piracy efforts. Interim guidance to private maritime security companies (PMSCs) was agreed by IMO's Maritime Safety Committee (MSC), when it met at the Organizations London Headquarters for its 90th session from May 16 to 25, 2012.

On February 8, Oceans Beyond Piracy, which is the project run by the One Earth Future Foundation, published the report called *The Economic Cost of Somali Piracy 2011*. According to the report, Somali piracy's impact on the global economy appears to amount to \$6.6~6.9 billion. The world's sea transportation industry shouldered 80 percent of the cost, and the rest of 20 percent was the expense of each country's government for anti-piracy efforts.

On May 2, the United Kingdom became the eighteenth Contracting Party to the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP).

Military Developments: The American newspaper, *The Wall Street Journal* dated January 4, introduced a long article titled "China Takes Aim at U.S. Naval Might" and pointed out that the expansion of Chinese Navy is aimed at keeping the U.S. aircraft carriers away from the sea near the Chinese shore. Under the situation that China continues to build up its military power and conversely the U.S. decreases its defense expenditure, some U.S. officials are concerned that the time has likely come to review its military strategy, which has been deeply dependent on aircraft carriers like USS *Gerald R. Ford*. At the press conference, on the 4th March, Li Zhaoxing, the spokesman for China's legislature known as the National People's

Congress, revealed that its military spending would reach to 670 billion yuan (\$106 billion) which increased by 11.2 percent from the previous year. It is the first time to have passed the \$100 billion. On March 7, John Chipman, the director general of the International Institute for Strategic Studies (IISS), said "Military spending of Asian countries in 2012 likely exceeds those of Europe for the first time, affected by rapid economic growths and strategic uncertainty."

On May 7, the U.S. Defense Secretary Leon E. Panetta had a meeting with Chinese Defense Minister Gen. Liang Guanglie at the Pentagon. "The United States and China are both pacific powers, and our relationship is one of the most critical in the world," Panetta said at the news conference. Meanwhile, Liang said, "At present, China-U.S. bilateral relationship is on a new starting line to build a new kind of military relationship based on equality, cooperation and mutual benefit."

On January 10, Admiral Jonathan Greenert, Chief of Naval Operations, said that President Barack Obama's decision to reorient the U.S. military's focus on the Asia-Pacific region will not lead to a major naval buildup and we have already a robust presence in the area. On January 21, giving an address aboard the country's oldest aircraft carrier, USS *Enterprise* sailing toward the Persian Gulf, U.S. Defense Secretary Leon Panetta told that the U.S. is committed to maintaining a fleet of 11 of the formidable warships despite budget pressures. Congress has expressed strong support for the current U.S. carrier fleet and has passed a law requiring the Defense Department to maintain 11 of the ships. On February 7, Adm. Jonathan Greenert, Chief of Naval Operations, told sailors and Marines aboard USS *Wasp* that the number of ships in the fleet will be maintained for this 5

years.

On April 4, Australian Defense Minister Stephen Smith greeted 180 U.S. Marines in the northern coast city of Darwin in Australia. The Marines will engage in training exercises with the Australian Defense Force during their six-month rotation as part of the agreement signed by the two leaders of the United State and Australia in November 2011. Rear Admiral Thomas Rowden, the Navy's director of surface warfare, announced on May 9 that the first LCS USS *Freedom* will be sent to Singapore in the spring of 2013 for a roughly 10-month deployment. The United States and Singapore has discussed hosting up to four such U.S. "Littoral Combat Ships," or LCS, on a rotational basis at its naval facilities. Both countries have said the deployment stops short of a basing agreement. On June 2, the Singapore military has agreed in-principle to allow the U.S. Navy to deploy up to four littoral combat ships on a rotational basis. The announcement came after a meeting between Singapore's Defense Minister Ng En Hen and U.S. Defense Secretary Leon Panetta at the Shangri-La Dialogue. The LCS will not be based or home-ported in Singapore and U.S. crews live on board the ships for the duration of their deployment. "Secretary Panetta reaffirmed that the LCS deployment would strengthen U.S. engagement in the region, through the port calls at regional ports, and engagement of regional navies through activities such as exercises and exchanges," the statement said. On June 3, U.S. Defense Secretary Panetta visits Cam Ranh Bay in Vietnam. After the end of the Vietnam War, he became the first U.S. secretary of defense to visit the bay where was a vital naval base for the United States during the war. Secretary Panetta said, on the flight deck of USNS *Richard E. Byrd* at anchor, "We've come a long way, particularly with regards to our defense

relationship. The United States works with our partners like Vietnam to be able to use harbors like this.” Since 2003, 20 U.S. Navy ships have been allowed stops in Vietnam, but any combat ship has yet to make a call. Non-combat ships like USNS *Richard E. Byrd* call at a port so far. The *Byrd* is a cargo ship operated by the Navy’s Military Sealift Command; it has a largely civilian crew. It is used to move military supplies to U.S. forces around the world. Panetta suggested the United States sends more ships to Cam Ranh Bay in the future.

The Indian Navy’s Russian-built aircraft carrier INS *Vikramaditya* (formerly *Admiral Gorshkov*) began sea trials early on the morning of June 7 in the White Sea - four years later after it was originally due to take to sea again. The ship was refitted at the Sevmash shipyard in northern Russia. A mixed Russian-Indian crew is on board the vessel, with the Indian sailors learning how to operate the vessel. After initial sea trials in the White Sea the ship will sail to the Barents Sea for exercises with military aircraft. The ship has a displacement of 45,000 tons, a maximum speed of 32 knots and an endurance of 13,500 nautical miles (25,000 km) at a cruising speed of 18 knots. India has already started taking delivery of MiG-29K naval fighter aircraft for the *Vikramaditya*, as they were ready before the refit was completed. The MiG-29Ks will operate in STOBAR (short take-off but assisted recovery via arresting wires) mode. On January 23, the Indian navy held in Russia the ceremony of commissioning INS *Chakra* (the Russian *Akula-II* class submarine ‘K-152 *Nerpa*) received on a 10-year lease from Russia. India became the world's sixth country after the US, Russia, France, the UK and China to operate nuclear-powered submarines when the *Chakra* was commissioned. Sailing for India soon, the

Chakra will be based at Visakhapatnam. On April 4, the Indian nuclear-powered submarine INS *Chakra* leased from Russia went into commission. With INS *Chakra* and the indigenous INS *Arihant* expected to start operational patrols soon, India would soon have two nuclear submarines. With the Indian Navy poised to attain a retaliatory nuclear strike capability, India will soon have a “credible and invulnerable” deterrent nuclear triad in place, Navy Chief Admiral Nirmal Verma said on June 25. Verma said such a nuclear triad was required in view of India’s ‘no first-use’ policy. India is developing a retaliatory strike capability through weapon systems from land, air and sea. It is believed that it already has the capability to do so from land and air. It will have the capability to do so with the induction of the indigenous INS *Arihant* nuclear submarine which is expected to be launched for sea trials in near future. On April 27, India Navy formally commissioned a new frigate, INS *Teg*, into its navy at a shipyard in Russia’s Baltic exclave of Kaliningrad. INS *Teg* is the first of three modified *Krivak III* class guided missile frigates being built under a \$1.6 billion deal sealed in 2006. The other two vessels will follow in a year or so. On the April 30, India commissioned its naval base, INS *Dweeprakshak*, in Lakshadweep Islands, for further strengthening its presence in the Arabian Sea and extending its reach in the strategically important Indian Ocean Region.

The Russian Navy will resume constant patrolling of the world’s oceans by strategic nuclear submarines (SSBN). On February 3, Russian navy Commander Adm. Vladimir Vysotsky said, “On June 1 or a bit later, we will resume constant patrolling of the world’s oceans by strategic nuclear submarines (SSBN).” The period of routine patrols made by Russian

submarines has dropped significantly from more than 230 days in 1984 to less than only 10 days.

On February 22, the Royal Navy has chosen South Korean firm Daewoo to build 4 new fuel tankers. The 37,000-tonne Military Afloat Reach and Sustainability (MARS) tankers will allow the Royal Navy to refuel at sea.

On June 2, U.S. Secretary of Defense Panetta announced, at the 11th IISS Asia Security Summit, the Shangri-La Dialogue in Singapore, that the United States would expand U.S. military deployment capabilities in the Asia-Pacific region for the next five to ten years. Additionally, Indian Minister of Defense Antony appealed people to secure maritime freedom based on the international law, because the sea is not only for certain countries, with the South China Sea in mind, and expressed India's stance to promote cooperative international relations through anti-piracy measures and efforts to eliminate conflicts.

South China Sea-related Events: A senior fellow at the S. Rajaratnam School of International Studies (RSIS), Nanyang Technological University, Yang Razali Kassim, contributed an article titled "The new Great Game: ASEAN's Balancing Act?" to RSIS Commentary dated January 17. The author is pointing out that, in the new great game, ASEAN has emerged as a significant facilitator - hedging and balancing between the two powers: the United States and China, as well as increasing its presence.

On February 2, the commander of Filipino navy revealed that BRP *Gregorio del Pilar*, the Philippines' newest hand-me-down warship from the United States, completed the first patrol of the West Philippine Sea (the South China Sea).

Since April 8, the Philippines and China have continued confronting over Scarborough Shoal in

the South China Sea. The April issue of this Report summarizes the whole picture of the incident with a variety of sources. On May 9, Carlyle A. Thayer, professor emeritus of the University of New South Wales in Australia, argued about the impact of confrontation between China and the Philippines over Scarborough Shoal on U.S.-China relations as follows: (1) as the South China Sea becomes more congested, the likelihood of armed incident involving China and the Philippines will increase and possibly trigger U.S. intervention (2) the United States and its allies must also keep up diplomatic pressure on China to refrain from armed struggle and intimidation. On May 28, Chinese Defense Minister Liang Guanglie urged the Philippines to show "discretion in both words and deeds" over the Huangyan Island issue during the conversation with his Philippine counterpart Voltaire Gazmin in Phnom Penh, Cambodia. The Philippine Defense chief said he appreciated the meeting on this issue, and said the defense departments of both sides should keep communication lines open to seek a peaceful and proper solution.

On May 16, China started a two-and-a half month fishing ban in most parts of the South China Sea. The annual fishing ban, which has been in place since 1999, covers areas north of the 12th parallel, including the Huangyan Island (the Scarborough Shoal) but excluding most of the Nansha Islands. On May 23, the Philippine Department of Foreign Affairs expressed "grave concern" to the Chinese Embassy in Manila because the number of Chinese vessels sailing around the Scarborough Shoal increased dramatically in the past few days. But Chinese Foreign Ministry spokesman responded that Chinese fishing vessels were in the disputed area. Philippines Department of Foreign Affairs on

June 26 confirmed that Chinese fishing boats have returned inside the lagoon of the disputed Scarborough Shoal. Large-scale Chinese fishing activities were allowed to go on in the shoal despite China's supposed two-month fishing ban from May 16 to August 1 in parts of the West Philippine Sea (South China Sea). Having declared its own fishing ban, the Philippines have reciprocated during the same period. But Filipino fishing boats have been prevented by Chinese maritime ships from going inside the lagoon.

The S. Rajaratnam School of International Studies (RSIS), Nanyang Technological University, published an article titled "China's Growing Fishing Industry and Regional Maritime Security" written by a senior research fellow of RSIS, Zhang Hongzhou, in RSIS Commentaries, No 091 dated June 6. The author stated the summary of the article as below, saying that the shift from inshore to offshore fishing might cause fishery disputes for the regional maritime security, while such disputes could be turned into opportunities for regional cooperation.

On June 21, China's Ministry of Civil Affairs announced the establishment of Sansha city, which will administrate Xisha, Zhongsha and Nansha islands. The idea of establishing Sansha city emerged as early as 2007, but was shelved due to protests from Vietnam. This city has diplomatic freedom in some degree. The establishment of Sansha city has made China's presence more tangible and should be a new development of China's maneuvers in the South China Sea.

According to a published report by Xinhua dated March 5, Chen Mingyi, a member of the Standing Committee of the Chinese People's Political Consultative Conference National Committee (who is the former Communist Party chief of the coastal province of Fujian), called for

the early establishment of a Ministry of Oceans to strengthen maritime law enforcement and exploration activities on the high seas. Major General Luo Yuan of the China Military Science Society called for Beijing to enforce its territorial claims in the South China Sea by establishing a national coast guard, stationing troops on more disputed islands, and encouraging its fishermen and oil companies to start commercial operations around them. On April 23, The International Crisis Group (Crisis Group), a think tank whose headquarter is located in Brussels, Belgium, released a 50-page report titled "Stirring up the South China Sea (I)." The report states details about the fact that lack of coordination among Chinese government agencies stirs up the South China Sea.

Ian Storey, a senior fellow at Institute of Southeast Asian Studies in Singapore, contributed an article titled "Asean Is a House Divided" to the American newspaper *The Wall Street Journal* dated June 14. According to the Storey, ASEAN countries have various views about China, hence it is difficult for them to unite and resist China regarding the South China Sea dispute. At this rate, ASEAN will allow Beijing to pick off individual members.

Reuters dated June 21 reported that the locally built Haiyang Shiyou (Offshore Oil) 981 rig owned by China's state-run oil company China National Offshore Oil Corporation (CNOOC) is currently drilling 320 km south of Hong Kong in an area within Beijing's ambit. Chinese energy experts said Beijing will eventually move its rig to explore in deeper and more oil-rich waters further south in the South China Sea. On June 23, The China National Offshore Oil Company (CNOOC) established nine new blocks in the South China Sea near Vietnam and announced they were now open to foreign oil companies for exploration and

development. In response to this, Vietnam Oil & Gas Group, also known as Petro Vietnam, will ask China to cancel the project, on June 27. According to Petro Vietnam, CNOOC blocks belong to Vietnam's EEZ and two of them overlap with Vietnamese areas that have been awarded by PetroVietnam to Exxon, Moscow-based Gazprom (OGZD), India's Oil & Natural Gas Corp. and Talisman Energy Inc. (TLM).

Diplomacy and International Relations: On January 5, U.S. President Obama introduced "Sustaining U.S. Global Leadership: Priorities For 21st Century Defense," which was a summarized report on the investigation results of a comprehensive review of the national defense strategy conducted by the U.S. Department of Defense with defense spending cuts. In a number of comments on this report, a professor of Texas A & M University, Christopher Layne, the proponent of offshore balancing, contributed an article titled "The (Almost) Triumph of Offshore Balancing" to *The National Interest* dated January 27, saying the Obama administration's new Defense Strategic Guidance (DSG) was the first step in the United States' adjustment to the end of the Pax Americana—the sixty-year period of dominance that began in 1945 and the country needs to adjust to the world of 2025 when China will be the number-one economy and spending more on defense than any other nation.

Former Assistant to the President for National Security Affairs under the Carter administration, Zbigniew Brzezinski contributed an article titled "As China Rises, A New U.S. Strategy" to a U.S. newspaper *The Wall Street Journal* dated February 14. In this article, Brzezinski argues that the United States should play as a regional balancer or a regional conciliator to respond the rise of China in Asia as

Britain used to act in the international relations of Europe from the 19th century to the early 20th century.

A U.S. newspaper, *The Wall Street Journal* dated February 14 reported a sea boundary dispute between China and the South Korea over a submerged rock in the East China Sea. The spat over the rock what South Korea calls the Ieodo Reef and China refers to as the Suyan Reef, which is 4 to 5 meters underwater. China's EEZ overlaps with those of South Korea and they have claimed its sovereignty into Ieodo/Suyan Reef. The two sides have held 16 rounds of negotiations on how to divide the waters, but still have failed to reach an agreement.

On March 14, the International Tribunal for the Law of the Sea (ITLOS) delivered its judgment in the Dispute Concerning Delimitation of the Maritime Boundary between Bangladesh and Myanmar in the Bay of Bengal. Sam Bateman, an adviser to the Maritime Security Programme at the S. Rajaratnam School of International Studies (RSIS), a think tank in Singapore, contributed an article on the first ITLOS decision on delimitation of the maritime boundary titled "Solving Maritime Disputes: The Bangladesh-Myanmar Way" to RSIS Commentaries dated March 20, pointing out that the ITLOS judgment does not necessarily provide a precedent for other boundary disputes, despite the peaceful settlement.

With the Asia-Pacific region emerging as the theatre of escalating U.S.-China rivalry, on June 6, India found itself in a rare and enviable situation: of being wooed by the United States and China. U.S. Defence Secretary Leon Panetta said "India would be a linchpin in America's new defence strategy". Moreover, he continued that "America is at a turning point. After a decade of war, we are developing the new defence strategy.

In particular, we will expand our military partnerships and our presence in the arc extending from the Western Pacific and East Asia into the Indian Ocean Region (IOR) and South Asia. Defence cooperation with India is a linchpin in this strategy.” The other hand, Chinese vice premier Li Keqiang told foreign minister SM Krishna that Sino-Indian ties would be the most important bilateral relationship in the 21st Century.

On May 23, the U.S. Senate Foreign Relations Committee began a sequence of public hearing concerning whether the United States should accede to UNCLOS. The United States is the only permanent member of the U.N. Security Council and the only Arctic nation that is not a member of the treaty, which has been endorsed by 161 countries. U.S. Secretary of State Hillary Rodham Clinton, U.S. Secretary of Defense Leon E. Panetta, and the Chairman of the U.S. Joint Chiefs of Staff Martine E. Dempsey gave statements to develop arguments for U.S. accession to UNCLOS at a public hearing held on the 23rd. U.S. Senate Committee on Foreign Relations held the second Senate hearing on U.S. accession to the United Nations Convention on the Law of the Sea (UNCLOS) on June 14 .

Shipping, Shipbuilding and Harbors: On January 5, South Korea’s Hyundai Heavy Industries announced completion of their Floating Liquefied Natural Gas Plant (FLNG) concept model. The Hyundai FLNG has a potential annual production capacity of 2.5 million tons of LNG and can store about 193,800m³ of LNG with a compact size of 355m long, 70m wide and 35m tall. The South Korean shipbuilding industry regained its status as the world's leading shipbuilding nation in 2011 from China. South Korean shipbuilders won a combined 13.55

million compensated gross tons (CGTs) in new orders in 2011, surpassing a total of 9.2 million CGTs clinched by Chinese builders last year. In 2011, South Korea accounted for 48.2 percent of a total of 28.11 million CGTs worth of deals globally placed. On May 28, Hyundai Heavy Industries (HHI) has won an order to build a semi-submersible drilling rig for Fred Olsen Energy (Norway’s offshore oil drilling major). The semi-submersible, measuring 123 m in length and 96 m in width with an operating depth range of 70 m to 3,000 m, will be able to drill to depths of 12,000 m. When completed in March 2015, this semi-submersible rig will be the biggest ever built.

State-owned port operator Pelindo II will install a new information technology system at Tanjung Priok port in North Jakarta, the country’s main shipment gateway, in the middle of 2012 to monitor vessel traffic online, a senior official said in Jakarta on January 16. Pelindo II will also install the vessel traffic information system at Palembang (Sumatra), Pontianak (Kalimantan), and Jambi (Sumatra) ports in 2013. The Indonesian newspaper *the Jakarta Globe* dated May 14, reported Tanjung Priok port expansion project in Jakarta, saying that the expansion is expected to help triple the port’s present annual capacity to more than 18 million TEUs when all phases will be completed in 2023.

According to the official website of Nissan Motor Co., Ltd., the company, dated January 30, unveiled the *Nichioh Maru*, an energy efficient coastal car carrier which will transport completed vehicles and parts on one of Japan's main maritime shipping routes. Compared to an existing car carrier of the same type, this ship can achieve a fuel reduction of up to nearly 1,400 tons annually, which converts to an annual reduction of 4,200 tons of CO₂ emissions. On March 9,

Mitsui O.S.K. Lines, Ltd. (MOL) issued a press release, saying the launching of the hybrid car carrier, *Emerald Ace* at the Mitsubishi Heavy Industries, Ltd. (MHI), Kobe shipyard. The *Emerald Ace*, designed to generate zero emissions while berthed, was designated as a project to reduce CO2 emissions from ocean-going vessels, and earned MOL a subsidy from Japan's Ministry of Land, Infrastructure, Transport and Tourism (MLIT) in 2009.

A university lecturer in Malaysia, Dr. Mohd Hazmi bin Mohd Rusli contributed a discussion titled "Maritime Highways of Southeast Asia: Alternative Straits?" to RSIS Commentaries dated February 10. He examines whether the Indonesian archipelagic waters would actually be effective as the alternative waterways under the situation that growing shipping traffic congestion in the Straits of Malacca and Singapore has led to a search for alternative shipping routes. After examining three in particular being the Sunda Strait, the Lombok and Makassar Straits and the Ombai-Weitar Straits in the north of the island of Timor, given the geographical inconvenience of the passageways through the Indonesian archipelagic waters, the author concludes that these routes through the Indonesian archipelago are more complementary than alternative routes to the primary maritime highway of the Straits of Malacca and Singapore, though vital for international shipping.

Reuters dated April 18 reported that Islamic Republic of Iran Shipping Lines (IRISL) appears to replace Malta and Cyprus with the landlocked state Bolivia as a nation to register its ships. Eight formerly Cyprus flagged vessels and six former Maltese flag fliers are currently showing Bolivian flags under the names of apparently new front companies. All the vessels are identified by as ships related with IRISL and listed on the U.S.

weapons of mass destruction proliferators (NPWMD) blacklist.

On May 4, the world's largest ship MS *Tíránor Planet Solar* running solely on the power of the sun cruised into a harbor in Monaco. The vessel completed the 37,294-mile expedition that spanned 28 countries and 585 days since leaving Monaco in September 2010.

On May 25, the International Chamber of Shipping (ICS) sent a strongly worded letter to the Panama Canal Authority (ACP), describing plans to increase tolls by up to 15% as 'simply unacceptable'.

Ocean Resources, Energy, Marine Environment and others: U.S. online shipping news *gCaptain* dated February 28 delivered a detailed report on the actual harsh conditions of the ship breaking in Bangladesh.

Associated Press dated March 3 reported on the impact that disposal of overage ships with missiles and bombs had on an environment: (1) the U.S. Navy considered the program called "Sinkex" for sinking exercise as an important national security function, allowing for live-fire exercises and study of "weapons lethality;" (2) on the other hand, the Navy has struggled to balance its military training needs with an environmentally sound way.

On May 9, China's national oil major, China National Offshore Oil Corp (CNOOC) announced that CNOOC 981 began drilling in a sea area 320 km southeast of Hong Kong at a water depth of 1,500 meters since the 9th. According to CNOOC, CNOOC 981 is the sixth-generation semi-submersible, marking "a substantial step" made by the country's deep-sea oil industry. Achieving such step, China becomes the first country to explore deep-water oil and gas resources in the South China Sea.

On June 20, The U.S. Coast Guard buoy tender *Henry Blake* fueled up at its home port in Everett with a 50-50 blend of diesel and algae oil as the Coast Guard's first ship to test biofuel, and then made its rounds of navigation aids on Puget Sound on the 21st. The Coast Guard is partnering in the research with the Navy, which plans to demonstrate its "Great Green Fleet" with the *Nimitz* strike group during the Rim of the Pacific, or RIMPAC, international military exercise beginning June 29 around the Hawaiian Islands. Another Everett-based ship, the aircraft carrier *Nimitz*, will play a role in biofuel testing during the RIMPAC 2012, which runs to August 3. It won't burn biofuel itself, but its aircraft will burn a blend of aviation fuel and biofuel made from the camelina plant. Three of the ships in the *Nimitz* strike group — the guided-missile cruiser USS *Princeton* from San Diego and two USS destroyers from Pearl Harbor, USS *Chung-Hoon* and USS *Chaffee* — will burn the blend of diesel and biofuel made from algae.

According to a report by *Navy Times* dated June 21, before its final leg home from deployment in May, USS *Carl Vinson* Carrier Strike Group got a new mission: patrol and secure protected fishing areas in the southern Pacific. While that mission is routine to the Coast Guard, it was the first time an aircraft carrier was involved in fighting illegal fishing in Oceania, a vast region northeast of Australia. The effort is the latest example of a Navy mission expected to grow in the Pacific. Officials say Oceania is important not only to U.S. economic prosperity, but also 22 Pacific island nations financially dependent on their local fisheries. A key area is what's known as the "Tuna Belt," which runs along the equator and supplies 57 percent of the world's tuna. Many livelihoods are threatened by illegal fishing, said Coast Guard Cmdr. Mark

Morin, incident management branch chief with the Coast Guard's 14th District in Honolulu. "There's about \$1.7 billion annually that is lost to illegal fishing [in Oceania]," said Morin. The Coast Guard's limited assets make it tough for constant air and sea patrols to enforce maritime laws in Oceania.

The Chinese submersible vessel *Jiaolong* dived 7,015 metres in the Mariana Trench in the western Pacific Ocean on its fourth dive since arriving on June 23, the official Xinhua news agency said. The *Jiaolong* is three-manned vessel. Experts say 7,000 metres is the limit of its design. Experts say China intends to use the submersible for scientific research as well as future development of mineral resources.

Intelligence Assessment: On January 19, 2012, The International Maritime Bureau (IMB) of The International Chamber of Commerce (ICC) published a report through the Piracy Reporting Center (PRC) based in Kuala Lumpur on the incidents of piracy and armed robbery against the ships noted in the world in year 2011 (January 1–December 31, 2011). In January issue, Analysis 1 is a summary of the characteristics of the incidents of piracy and armed robbery against the ships viewed from the IMB report noted in the year 2011. On January, The Information Sharing Center (ISC) of The Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP) issued the annual report on the incidents of piracy and armed robberies against ships noted in Asia in the year 2011. Analysis 2 is a summary of the patterns and trends of the incidents of piracy and armed robbery against the ships noted from the ReCAAP report of the Asian region in 2011.

Online international current-affairs magazine, *The Diploma* dated December 1, 2011,

carried an article titled “From Mahan to Corbett?” by James R. Holmes, an associate professor of strategy at the U.S. Naval War College. Analysis of February issue has covered this article and examined the maritime strategy of Sir Julian Corbett (1854–1922), a British historian and strategic thinker.

In March issue, an analysis of the following report was published. On February 8, The project “Oceans Beyond Piracy” by the One Earth Future Foundation in Colorado, the United States, issued *The Economic Cost of Somali Piracy 2011*. According to this report, the sea transportation industry shouldered 80 percent of Somali piracy’s impact on the global economy, and the remaining 20 percent was the expense of each country’s government for anti-piracy efforts. The report says that the total cost is estimated to reach \$6.6~6.9 billion (estimated amount of money in US\$ unit).

The April issue provided 2 Intelligence Assessments. In April 2012, Michael J. Green (Senior Advisor and Japan Chair at Center for Strategic and International Studies in Washington, D.C. and Associate Professor at Edmund A. Walsh School of Foreign Service, Georgetown University) and Andrew Shearer (Director of Studies and a Senior Research Fellow at the Lowy Institute for International Policy in Australia) published a 15-page article titled “Defining U.S. Indian Ocean Strategy” in *The Washington Quarterly* published by Center for Strategic and International Studies in Washington, D.C. First article analyzed and defined strategic value on Indian Ocean for the U.S in growing awareness of the Indian Ocean for the US, Australia and Japan. Second article introduced Mark Stokes and Russell Hsiao’s paper “Why U.S. Military Needs Taiwan” which appeared on the Diplomat in April 2012,

regarding Taiwan as being an important strategic actor which cannot be ignored when it comes to the stabilization of East Asia’s security environment. Moreover, on April 23, The International Maritime Bureau (IMB) published a report through the Piracy Reporting Center (PRC) based in Kuala Lumpur on the incidents of piracy and armed robbery against the ships noted in the world up to the first quarter of 2012 (January 1- March 31, 2012). Third article is a summary of the characteristics of the incidents of piracy and armed robbery against the ships viewed from the IMB report noted in the first quarter of 2012.

In May, the U.S. Senate Foreign Relations Committee began a sequence of public hearing concerning whether the United States should accede to UNCLOS. The United States is the only permanent member of the U.N. Security Council and the only Arctic nation that is not a party to the treaty, which has been endorsed by 161 countries. U.S. Secretary of State Hillary Rodham Clinton, U.S. Secretary of Defense Leon E. Panetta, and the Chairman of the U.S. Joint Chiefs of Staff Martine E .Dempsey gave statements to develop arguments for U.S. accession to UNCLOS at a public hearing hold on May 23. In May Intelligence Assessment, the briefs of their statements along with the tones of recent arguments over U.S. accession to UNCLOS were introduced.

In June issue, 2 Intelligence Assessments were provided. First is an article that analyzed “Recommendations of the Commission on the Limits of the Continental Shelf (CLCS) and Strategic Importance of Okinotori-shima ~Japanese Response to the Chinese A2/AD Strategy~ Recommendations of the CLCS and China’s Repulsion”. The other is an article that analyzed the report titled “Non-Traditional

Threats and Maritime Domain Awareness in the Tri-Border Area of Southeast Asia -The Coast Watch System of the Philippines” written by research fellows, Angel Rabasa and Peter Chalk, published by RAND Corporation. This article

focused on the history and current situation of the security environment including terrorism and piracy in the whole of the Sulu-Celebes Sea, and analyzed CWS roles, functions and problems.

1. Information Digest

1.1 Maritime Security

July 3 “St. Lucia announced endorsement of PSI” (U.S. Department of State, June 5, 2012)

According to the U.S. Department of State, St. Lucia publicly announced on the 3rd its endorsement of the Proliferation Security Initiative (PSI). The number of state that endorses the PSI amounts to 100. St. Lucia will endeavor to promote international non-proliferation policy in coordination with the United States and other countries to endorse the PSI. PSI will mark its 10th Anniversary in May 2013. PSI participants commit to undertake measures to interdict illicit transfers of weapons of mass destruction and missile-related items, exchange relevant information, and strengthen legal authorities to conduct interdictions.

Refer to the article: St. Lucia Becomes 100th State to Endorse the Proliferation Security Initiative (PSI).

<http://www.state.gov/r/pa/prs/ps/2012/07/194611.htm>

July 16 “U.S. Navy replenishment vessel fired upon unidentified boat and killed one fisherman” (U.S. Navy News Service, July 16, and Al Jazeera, July 16, 2012)

A U.S. Navy replenishment vessel, USNS *Rappahannock* (T-AO 204) fired upon a small motor vessel after it disregarded warnings and rapidly approached the U.S. ship near Jebel Ali, United Arab Emirates on the 16th. In accordance with a countermeasure, the U.S. crew repeatedly attempted to warn the vessel’s operators to turn away from their deliberate approach, via radio and on loudspeaker, as well as by flashing lights and firing warning shots. When those efforts failed to deter the approaching vessel, the security team on the *Rappahannock* fired rounds from a 50-caliber machine gun. According to the news release by Al Jazeera on the 16th, an Indian fisherman was killed and three people wounded. Meanwhile, according to a spokesman for the U.S. navy’s 5th Fleet, said sailors aboard USNS *Rappahannock* opened fire on the boat after it ignored warnings. “US ships have an inherent right to self defence against potential threats... The safety of our vessels and our personnel is of the utmost priority,” he told Al Jazeera. Similar boats powered by three outboard motors are used for fishing in the region, though Iran’s Revolutionary Guard also employs relatively small, fast-moving craft in the Gulf.

Refer to the article: USNS Rappahannock Fires after Vessel ignores warnings

http://www.navy.mil/submit/display.asp?story_id=68398

US navy fires on boat off UAE coast

<http://www.aljazeera.com/news/middleeast/2012/07/2012716163648139556.html>



USNS RAPPAHANNOCK INCIDENT

JULY 16, 2012

TIMELINE OF EVENTS

1. 1050Z (1450 GST, 2:50pm UAE local) – Vessel reported as a contact of interest due to proximity and speed (Reaching 5 nautical miles, Speed of 20-25 knots),
2. 1051Z (1451 GST, 2:51pm UAE local) – Vessel approached 1200 yards on same bearing, and then vessel turned inbound toward Rappahannock.
3. 1051Z (1451 GST, 2:51pm UAE local) – Embarked Security Team initiated first level of defensive, non-lethal warning procedures. Vessel, now at about 900 yards, ignored warning and continued toward Rappahannock.
4. 1052Z (1452 GST 2:52pm UAE local) – Embarked Security Team initiated next level of defensive, non-lethal warning procedures. Vessel, now at 150 yards, ignored warning and continued toward the Rappahannock.
5. 1052Z (1452 GST, 2:52pm UAE local) – Embarked Security Team fired shots at the vessel as it approached 100 yards. Vessel slowed for the first time and turned to port, passing astern of Rappahannock and proceeding up the port side of the U.S. naval ship.
6. 1052Z (1452 GST, 2:52pm UAE local) – Embarked Security Team re-initiates non-lethal procedures with the vessel which is now port side to Rappahannock, at about 90 yards.
7. 1053Z (1453 GST, 2:53pm UAE local) – Vessel stops completely and Rappahannock goes to full speed to separate from vessel. Vessel seen departing area (see photo).



USNS RAPPAHANNOCK
 LAT: 25° 08.7N
 LON: 054° 58.1E
 C/S: 160T, 3-5KTS

COI DESCRIPTION
 TYPE: SKIFF
 FLAG: NONE
 SIZE: 50 FT
 IDENTIFYING MARKS:
 WHITE/BLUE
 COMMS GEAR: NONE



Source: <http://www.navy.mil/management/photodb/photos/120716-N-ZZ999-002.jpg>

July 17 “China’s expeditionary naval force in Somalia rescued crew of Taiwanese fishing boat” (Reuters, July 17, and Somalia Report, July 19, 2012)

On the 17th, the Chinese foreign ministry announced that China’s expeditionary naval force in Somalia rescued the crew members of a Taiwanese trawler seized by Somali pirates. The 26 crews on board the boat consisted of 13 mainland Chinese, 12 Vietnamese and one Taiwanese. The details of the circumstances were not released. FV *Shiuh Fu No 1* was hijacked on December 25, 2010, off the north east tip of Madagascar. Taiwan’s foreign ministry did not say directly whether a ransom had been paid. It thanked China for its assistance in the rescue. According to Somari Report dated 19th, the pirates agreed to accept a ransom of \$3 million.

Refer to the article: China rescues fishermen held by Somali pirates for 18 months

http://articles.chicagotribune.com/2012-07-17/news/sns-rt-us-china-somalia-piratesbre86h02b-20120717_1_somali-pirates-piracy-crisis-mother-ships

FV Shiuh Fu No.1 Ransom Amount Revealed

[http://www.somaliareport.com/index.php/post/3532/FV Shiuh Fu No1 Ransom Amount Revealed](http://www.somaliareport.com/index.php/post/3532/FV_Shiuh_Fu_No1_Ransom_Amount_Revealed)

Note: According to the press release by EU NAVFOR dated December 20, 2011, FV *Shiuh Fu No 1*, with other two hijacked vessels, was abandoned and derelict on the Somali beach, creating a source of potential pollution, as of December 20, 2011. (Source: EU NAVFOR Public Affairs Office, Press Release, December 20, 2011)

July 28 “China Launches the Country’s Largest and Most Advanced Patrol Vessel” (The Maritime Executive, July 30, 2012)

On the 28th, China launched their largest and most advanced patrol vessel, the *Haixun 01*, set to go into service by the end of 2012. The *Haixun 01* is the new flagship vessel capable of maritime surveillance and rescue missions. Shanghai Maritime Bureau will manage the ship. The vessel is 5,418 tons and 128.6 meters in length, with sailing speeds of up to 37 km per hour and a maximum sailing distance of 18,520 km without the need for refueling. Platforms onboard can accommodate helicopter take offs and landings for refueling and search and rescue efforts. The vessel is equipped with onboard emergency medical and surgery facilities, and is capable of taking in 200 passengers. Currently China has two patrol vessels weighing more than 3,000 tons, the *Haixun 11* and the *Haixun 31*. China’s latest vessel is a clear statement that the country plans to ramp up monitoring of their waters and coastlines.

Refer to the article: China Launches the Country's Largest and Most Advanced Patrol Vessel
<http://www.maritime-executive.com/article/china-launches-largest-and-most-advanced-patrol-vessel>

1.2 Military Developments

July 2 “M. Auslin’s comment: Is the PLA a paper dragon?” (The Wall Street Journal, July 2, 2012)

The director of Japan Studies in the American think tank AEI, Michael Auslin contributed an article titled “Is the PLA a Paper Dragon?” to The American newspaper *The Wall Street Journal* dated the 2nd. Auslin insists, though the People’s Liberation Army (PLA) may not be the equivalent of the U.S. military anytime soon, Beijing is achieving the most important political aim, regional hegemony. Below is the summary of his comment.

- (1) China’s boasts about its military may soon be put to the test, as new tension with Vietnam in the South China Sea comes on the heels of a months-long standoff with the Philippines. How confident Chinese leaders are in the strength of their armed forces will play a big role in how far they push their territorial claims. It also will indicate whether Beijing is trying to bluff America into staying out of these controversies roiling Asia.
- (2) The question is whether the PLA is a paper dragon, and the honest answer is mixed. In theory, the growth in the PLA has been startling since the 1990s. Starting from a ground-centric force relying on 1950s technology, and with very little modern air or sea capabilities, China’s military is now the second-largest in the world. Most impressively, it is now able to operate at farther distances from the continent. Its navy can undertake long-endurance anti-piracy missions off the coast of Africa, while its various maritime patrol agencies are a constant presence in the South and East China Seas. Beijing clearly wants to project a blue-water navy, as the development of a 70-ship submarine fleet and the

launching of its first aircraft carrier this year show. The air force is also modernizing, introducing advanced fourth-generation fighters. It is also slowly increasing the complexity of its operations. While still overwhelmingly a self-defense force, it can reach most of the contested South China Sea islets. Then there are the missile forces, all of whose variants—like intercontinental ballistic missiles—have grown since the 1990s. Much attention has been paid to China’s advances in an anti-ship ballistic missile, the DF-21, which may be able to target U.S. aircraft carriers.

- (3) The problem is these numbers tell only a part of the story. There is far more debate over the quality of China’s armed forces than over their quantity or ostensible modernity. Here is where doubt that Beijing packs a powerful punch grows. China’s military does not train nearly as much as its Western counterparts. Pilots have very few flying hours, while the large submarine force rarely transits far away from its bastions near the shore. Nor does China have a large and professional non-commissioned officer corps, which forms the backbone of modern militaries. In practice, Beijing’s military systems and protocols are weak or unknown. Western military officers who have been given access to Chinese naval ships, for example, talk about a lack of rudimentary damage control systems on board, leading some to conclude that these ships may not survive in a conflict. Meanwhile, we don’t know how well-stocked Chinese weapons magazines are. The PLA could run out of munitions fairly early in a fight. We also have no certainty about China’s command-and-control system. Finally, there is evidence that the ethos of the PLA is similar to that of the Soviet Union’s military, whose doctrinal rigidity removed any sense of initiative from its battlefield commanders. This lack of flexibility and innovation may be the greatest weakness in China’s armor.
- (4) Though the PLA may not be the equivalent of the U.S. military anytime soon (if ever), Beijing’s military buildup isn’t just to challenge U.S. dominance. Beijing has other political aims, most importantly regional hegemony, and arguably these are being satisfied. China’s military is far larger and more capable than that of any other Asian nation, including Japan. And the risk of local conflict is tied to how confident it feels about the chances of its forces. At the end of June, Beijing announced it was starting “combat-ready patrols” near the contested Spratly and Paracel islands, in response to Vietnamese air patrols.
- (5) On the other hand, Washington is struggling with how to check Beijing’s regional ambitions, but faces its own problems. Just keeping America’s military presence credible in Asia is increasingly a challenge. The U.S. may possess the capacity to increase its Asian presence, yet it has no current military strategy for doing so. Washington’s rhetoric suggests it is active in the Asia-Pacific, but its actions say otherwise. The big problem is the Pentagon’s budget is being cut drastically. Even otherwise, its strategists refuse to deal with the reality of Chinese missiles that could disable American forward bases. They have also not protected adequately against Chinese electronic warfare capabilities, or considered whether America’s seven forward-based squadrons of fighter jets in Asia are adequate to counter China’s aerospace buildup. If the U.S. loses its ability to operate at long distances

in a timely and persistent manner, China could deny U.S. forces the ability to enter a conflict zone or operate freely once inside. That would give Beijing a far easier road toward achieving its aim of regional hegemony. A paper dragon just might yet best a grounded eagle.

Refer to the article: Is the PLA a Paper Dragon?

<http://online.wsj.com/article/SB10001424052702304211804577502292120905750.html?mod=wsj>

July 3 “U.S. adds forces in Persian Gulf, a signal to Iran” (The New York Times, July 3, 2012)

The American newspaper *The New York Times* dated the 3rd reports that the United States has steadily bolstered its military presence in the Persian Gulf region in order to thwart any Iranian force’s intention to blockade the Straits of Hormuz and reinforce its deployment of combat aircraft that are able to attack inland in the event that confrontations over Iran’s nuclear development is escalated. Below is the summary of the article.

- (1) The deployments are part of a long-planned effort to bolster the American military presence in the gulf region, in part to reassure Israel. But at a moment that the United States and its allies are beginning to enforce a much broader embargo on Iran’s oil exports, meant to force the country to take seriously the negotiations over sharply limiting its nuclear program, the buildup carries significant risks.
- (2) The most visible elements of this buildup are Navy ships designed to vastly enhance the ability to patrol the Strait of Hormuz, and to reopen the narrow waterway. The Navy has doubled the number of minesweepers assigned to the region, to eight vessels. In spring this year, stealthy F-22 and older F-15C warplanes have moved into two separate bases in the Persian Gulf to bolster the combat jets already in the region and the carrier strike groups that are on constant tours of the area. The Navy has moved a converted amphibious transport and docking ship, USS *Ponce* (AFSB-1: Afloat Forward Staging Base), into the Persian Gulf to serve as the Pentagon’s first floating staging base. The initial assignment for the *Ponce* is to serve as a logistics and operations hub for mine-clearing. But with a medical suite and helicopter deck, and bunks for combat troops, the *Ponce* eventually could be used as a base for Special Operations forces to conduct a range of missions, including reconnaissance and counterterrorism, all from international waters.
- (3) For President Obama, the combination of negotiations, new sanctions aimed at Iran’s oil revenues and increased military pressure is the latest — and perhaps the most vital — test of what the White House calls a “two track” policy against Iran. Mr. Obama seeks to project toughness without tipping into a crisis in the region. At the same time he must signal support for Israel, but not so much support that the Israelis see the buildup as an opportunity to strike the Iranian nuclear facilities, which Mr. Obama’s team believes could set off a war without significantly setting back the Iranian program. But this delicate signaling to both Iran and Israel is a complex dance. Senator John Kerry who is the chairman of the Foreign Relations Committee said that the administration must strike a

fine balance between positioning enough forces to deter Iran, but not inadvertently indicate to Iran or Israel that an attack on Iran's nuclear sites is imminent or inevitable.

Refer to the article: U.S. Adds Forces in Persian Gulf, a Signal to Iran

http://www.nytimes.com/2012/07/03/world/middleeast/us-adds-forces-in-persian-gulf-a-signal-to-iran.html?_r=1&ref=world

【Related article】

“U.S. deploys sea drones to Persian Gulf” (The Los Angeles Times, July 11, and Stars & Stripes, July 11, 2012)

According to published reports by American newspapers dated the 11th, the U.S. Navy is sending small sea drones to destroy sea mines as part of its military buildup in the gulf region aimed at preventing any closure of the Strait of Hormuz by Iranian armed forces. Only 88 pounds and 4 feet long, the unmanned, remotely guided submersibles carry a TV camera, homing sonar and an explosive charge for what amounts to a kamikaze mission: When it detects a mine, the undersea craft obliterates itself as well as the mine. The Navy bought dozens of the little-known German-made devices, known as the SeaFox, in February after an urgent request by the top U.S. commander in the Middle East, for more minesweeping capabilities in the region. The first drones began arriving in late June. Though much of the buildup has been publicly acknowledged by the Pentagon, the deployment of the submersibles has not been publicly disclosed. The technology for the drones, which cost \$100,000 each, is hardly new. The torpedo-like submersibles have been available for a decade and are used by about 10 other countries, including Britain. The device is controlled by a 3,000-foot fiber-optic cable and sends live video back to a camera operator at a console. It operates up to 984 feet deep and travels at a speed of up to 6 knots. The system can be deployed from minesweepers or other ships, as well as from helicopters and small boats.

Refer to the article: U.S. deploys sea drones to Persian Gulf to clear Iranian mines

<http://www.latimes.com/news/nationworld/world/la-fg-iran-navy-20120712,0,5308488.story>

Navy sends tiny submersibles to Persian Gulf

<http://www.stripes.com/news/navy/navy-sends-tiny-submersibles-to-persian-gulf-1.182723#.T8ocGfwVOU>

July 6 “India’s viewpoint: China’s blue-water ambitions” (The National Interest, July 6, 2012)

The American newspaper *The National Interest* dated the 6th publishes an article titled “China’s Blue-Water Ambitions”. The author is Kailash K. Prasad who is a research fellow of the Delhi Policy Group in India. Prasad envisages that blue-water ambitions are likely to remain unfulfilled in the near future. There are some main points of his view as follows.

- (1) As China develops complex economic and strategic interests in Africa and the Middle East, freedom of navigation through the Indian Ocean and much of the Pacific will concern Beijing mightily. But unsurprisingly, there is discomfort with sharing maritime security responsibilities close to home. Considering the relative strength of those patrolling the

waters—mainly Japan and the United States—the Chinese fear that in times of crisis, access to critical sea lines of communication could be blocked. Or worse, Beijing might be forced to compromise on its long-held logic of sovereignty over a region that extends far beyond what international law permits.

- (2) Before it can dominate the seas, China has much catching up to do. The combined weight of twenty-one of the world's biggest navies is 6.75 million tons. Remove the United States Navy (USN), and that leaves the global fleet 46 percent lighter at about 3.63 million tons. Though not the most accurate gauge of naval prowess, the skewed weight distribution—combined with the USN's pound-for-pound superiority—cannot bode well for a rising power wary of the status quo. Unfortunately, what China has to show for three decades of naval modernization are a handful of nuclear-powered attack- and ballistic-missile submarines that lag behind those of the world's premier navies, an aircraft carrier they're only beginning to learn how to use and antiship ballistic missiles (ASBM). Only the ASBM really gives Beijing an edge over the competition. The Pentagon reports the highly maneuverable missile has a range of one thousand miles.
- (3) But for the near future, blue-water ambitions are likely to remain unfulfilled. A refurbished Soviet-era aircraft carrier, ASBMs and a few unstealthy nuclear submarines won't allow the People's Liberation Army Navy (PLAN) to conduct complex operations far from its shores, even if China's sailors can master their new boats. Given the bulk of what the PLAN presently fields, the implications are likely to be felt closer to home. The large fleet of Song, Ming and Romeo class diesel-electric submarines, catamarans, Landing Platform Docks, and other short-range and shore-based weapons will influence the day-to-day choices nearby countries will make—especially whether to align more closely with China or the United States.
- (4) China is eager to see its maritime neighbors embrace its naval-modernization effort. But if China feels inclined to continue engaging in brinkmanship of the sort seen in the Scarborough shoal standoff, most are unlikely to warm to its naval ambitions. As those further away in India and Australia face a more capable PLAN, friendly rhetoric from Beijing will provide little reassurance. Japan and South Korea too would find it better to balance against China's burgeoning capabilities—instead of hoping military planners in Beijing don't act on their dissatisfaction with the status quo. Australia has already embarked on the initial stages of a \$40 billion revamp of its submarine fleet. India recently took delivery of a Russian *Akula* class nuclear-powered attack submarine and is also building its own nuclear submarines as well as another aircraft carrier. Japan is enlarging its submarine fleet for the first time in thirty-six years. South Korea also is modernizing its naval and amphibious forces. The cost of miscalculation here is high, and it is hard to see how such an environment could work in the China's favor. Hegemony in the Pacific and Indian Oceans seems unlikely. Anything less could leave Beijing more isolated and vulnerable in a powerful, distrustful backyard.

Refer to the article: China's Blue-Water Ambitions

<http://nationalinterest.org/commentary/chinas-blue-water-ambitions-7157>

July 8 “ASEAN navies conduct first information-sharing exercise” (Asia One, July 9, 2012)

About 60 personnel from the ASEAN navies will be participating in the inaugural ASEAN Maritime Security Information-Sharing Exercise (AMSISX) to be held from July 8 to 10 at the Changi Command and Control Centre. The exercise will see participants, based in Singapore and their respective countries’ operations centres, linked up through the ASEAN Information-Sharing Portal (AIP). AIP will enable naval commanders to exchange information in real time through a group chat function. The development of the AIP was led by the Republic of Singapore Navy (RSN) and the Indonesian Navy (TNI AL). The participation of the ASEAN navies in the exercise reflects their strong commitment to multilateral cooperation and the promotion of regional maritime security, the Ministry of Defence (Mindef) said.

Refer to the article: ASEAN navies strengthen maritime information sharing

<http://news.asiaone.com/News/Latest+News/Singapore/Story/A1Story20120709-358153.html>

July 8 “India plans to expand naval base for aircraft carrier” (The Times of India, July 8, 2012)

According to the American newspaper *The Times of India* dated the 8th, India is planning a major expansion of its strategic Karwar naval base in Karnataka where it will berth INS *Vikramaditya* (Russian-origin aircraft carrier *Admiral Gorshkov*) and carry out military aircraft operations. The Navy plans to deploy INS *Vikramaditya*, *Scorpene* submarines and a number of surface ships at the base. Project Seabird Phase IIA work in this regard is expected to be moved before the Cabinet Committee on Security chaired by Prime Minister Manmohan Singh for final approval. Project Seabird Phase IIA work will involve construction of a wide range of new facilities and augmentation of certain existing facilities involving an outlay of over Rs 10,000 crore. As per the plans, the Navy will be able to base around 30 major warships at Karwar after the completion of Phase-IIA by 2017-18. It is also planning to establish a Naval Air Station there for deploying fixed and rotary wing ship-based military aircraft. Project Seabird has been dogged by long delays since it was first approved in 1985. Phase-I in 2005-06 has enabled the Navy to base more than 15 warships at Karwar.

Refer to the article: Navy plans Rs 10,000 crore worth expansion of Karwar base

http://articles.timesofindia.indiatimes.com/2012-07-08/india/32588043_1_expansion-of-karwar-base-berthing-and-anchorage-facilities-major-warships

July 9 “Singapore, Indonesia Ink Submarine Rescue Pact” (The Jakarta Globe, July 10, 2012)

Singapore and Indonesia signed a submarine rescue support and cooperation agreement on the 9th, making it the first such arrangement between ASEAN countries. The arrangement means that the Republic of Singapore Navy’s (RSN) submarine rescue system will be made

available to the Indonesian Navy. The RSN's submarine rescue system comprises a submarine and rescue support vessel called the MV *Swift Rescue*, and a submersible rescue vessel, the *Deep Search and Rescue Six*. The two navies will also develop a joint standard for conducting rescue operations together.

Refer to the article: Singapore, Indonesia Ink Submarine Rescue Pact

<http://www.thejakartaglobe.com/international/singapore-indonesia-ink-submarine-rescue-pact/529706>

July 10 “India opens naval air station in Great Nicobar Island” (Defense News, July 10, 2012)

According to the online news Defense News dated the 10th, India has completed infrastructure development work on the Great Nicobar Island of the Andaman and Nicobar islands in the Indian Ocean to improve monitoring of the Malacca strait. Named Naval Air Station *Baaz*, the base has been built with a longer air strip able to handle Indian Air Force transport aircraft, U.S.-built C-130Js and other smaller Russian transport aircraft. Port Blair in the Andaman and Nicobar islands also house India's tri-command, which keeps an eye on movements of Chinese ships in the region.

Refer to the article: India Develops Malacca Strait Monitoring Base

<http://www.defensenews.com/article/20120710/DEFREG03/307100006/India-Develops-Malacca-Strait-Monitoring-Base>

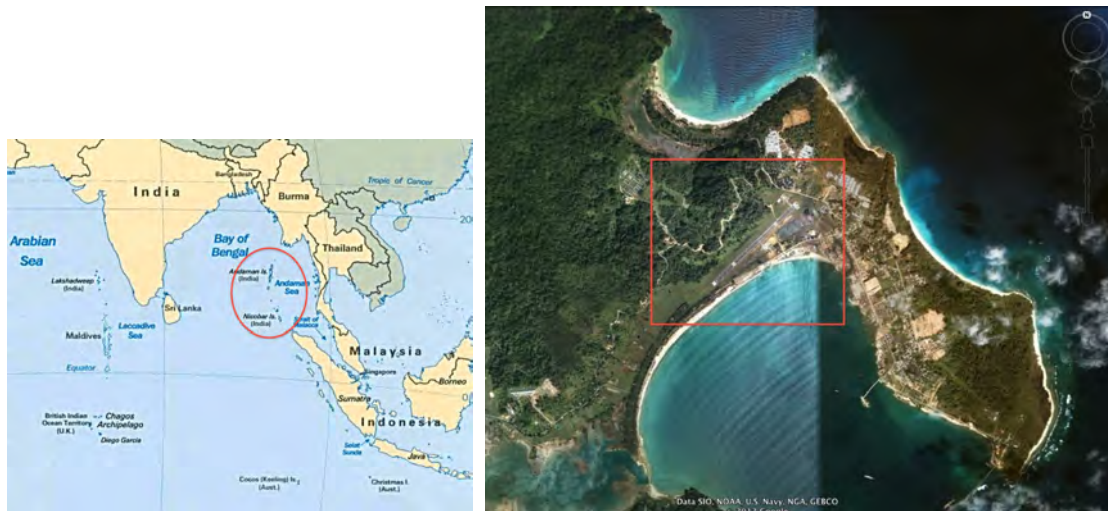
【Related article】

“India opens naval air station in Great Nicobar Island at end of July” (Defence News, July 30, 2012)

India will formally open a key naval air station on the 31st, named INS *Baaz* (Hawk) in the southern part of the Andaman & Nicobar chain of islands. The southern most islands of India are closer to Indonesia than mainland India. The Indian Navy already operates bases at Port Blair and Car Nicobar in the Andaman and Nicobar Islands chain. INS Baaz is 300 nautical miles south of Car Nicobar naval base.

Refer to the article: India Now Commands The Strait Of Malacca With Naval Base ‘INS Baaz’

<http://www.defencenews.in/defence-news-internal.asp?get=new&id=1368>



INS Baaz at Campbell Bay of Great Nicobar Island

Source: Eagle Speak, July 31, 2012

July 11 “India to continue training of Singapore troops” (Defense News, July 12, 2012)

Under a July 11 agreement reached between the visiting prime minister of Singapore, Lee Hsien Loong, and Indian Prime Minister Manmohan Singh here, India will continue to train troops from Singapore at India’s training facilities. India is already training Singaporean Air Force personnel at its facilities at Kalaikunda Air Base in West Bengal. The two countries signed an agreement in October 2003 on defense cooperation. The agreement also calls for joint cooperation in defense production between state-owned Indian defense firms and Indian ordnance factories and Singapore defense firms. New Delhi is keen to increase defense cooperation with Singapore as part of its “look east” policy and efforts to build stronger military linkages in the Asia-Pacific region to counter China, said a defense analyst based here.

Refer to the article: India to continue Training of Singapore Troops

<http://www.defensenews.com/article/20120712/DEFREG03/307120005/India-Continue-Training-Singapore-Troops>

July 13 “PACOM chief calls Australia key player in regional security” (American Forces Press Service, July 13, 2012)

Australia has been a staunch U.S. ally for more than 60 years and its leadership will continue to be critical to regional security and the future of the Asia-Pacific, Navy Adm. Samuel J. Locklear III, the commander of United States Pacific Command, told reporters on the 13th. On the 12th with Australian Army Gen. David Hurley, chief of Australia’s defense force, and other military leaders and on the 13th with Prime Minister Julia Gillard, Locklear said his talks focused on advancing the alliance to the next level as the United States “rebalances” its forces in Asia and the Pacific. One of the first steps in that effort was the introduction this spring of Marine Corps rotational deployments to Australia’s Robertson Barracks near Darwin. The first rotation

includes about 250 Marines, but the force could grow to as many as 2,500 over time. “I think it is progressing quite well,” Locklear told reporters, “and on a timeline that both the Australian government and the U.S. government are comfortable with.”

Looking toward the future in the vast Asia-Pacific region, Locklear said the greatest challenges are likely to be transnational and threats to the global commons that include the maritime, space and cyberspace domains. “So you have to develop forces that can work in those commons across a broad range of mission sets,” he said. “And we are seeing that most of the nations in the Asia-Pacific are starting to recognize that they have got to look beyond their borders and ... they have got to be able to operate multilaterally beyond their borders.”

Locklear emphasized that the rebalance promotes is not aimed at “containing” China. He underscored that point during his recent visit to China, encouraging China to become a closer partner in promoting regional security and stability.

Asked about tensions in the South China Sea -- specifically, the standoff between China and the Philippines over the Scarborough Shoal -- Locklear said the United States doesn’t take sides in territorial disputes. Rather, he said, it encourages nations to resolve their differences peacefully and without coercion using international legal processes

Refer to the article: Pacom Chief Calls Australia Key Player in Regional Security

<http://www.defense.gov/news/newsarticle.aspx?id=117109>

July 18 “Recent sea trial pictures of China’s aircraft carrier” (Global Times, July 18, 2012)

According to the Chinese newspaper *Global Times* dated 18th, China Central Television exposes the recent sea trials pictures of China’s aircraft carrier on the 16th. China’s aircraft carrier has set out from a shipyard in Dalian on sea trials that will last 25 days, the longest yet, and experts say domestic J-15 fighters may be involved in landing and takeoff exercises. The carrier is capable of carrying around 30 fixed wing fighters and helicopters and a crew of around 2,000.

Refer to the article: Recent sea trial pictures of China's aircraft carrier

<http://www.globaltimes.cn/content/721799.shtml>



Source: Global Times, July 18, 2012

July 27 “Russia denies it’s pursuing naval base abroad” (BBC News, July 27, 2012)

The Russian defence ministry on the 27th denied Russia was planning on the deployment of overseas naval bases since the Soviet Union collapsed in 1991. This is the official statement by the defence ministry denying that the commander-in-chief of the Russian Navy said that it was holding negotiations about opening military installations in Cuba, Vietnam and the Seychelles. The Soviet Navy had foreign bases in Cam Ranh, in the south of Vietnam, and Tartus in Syria. Russia left the base in Cam Ranh in 2002. The Syrian base in Tartus, which was created in 1971 as a supply center for the Russian fleet in the Mediterranean, became Moscow’s only military base outside. Although analysts see the Tartus base as a key strategic asset for Moscow in the Mediterranean, its infrastructure is extremely modest with just a few dozen staff based there at any one time and naval vessels only visiting for brief calls. During the early years of his presidency, Putin also closed a Russian listening post on Cuba, a key Soviet-era client. In Washington, a Pentagon spokesman said the United States was not concerned by Russian moves

to re-establish foreign bases. He noted that the United States is itself pursuing closer relations with Vietnam. “They have allowed access for U.S. supply ships to enter Vietnamese waters, including Cam Ranh Bay,” he said.

Refer to the article: Russia Denies It's Pursuing Naval Base Abroad

<http://www.defensenews.com/article/20120728/DEFREG01/307280003/Russia-Denies-8217-s-Pursuing-Naval-Bases-Abroad?odyssey=mod|newswell|text|FRONTPAGE|s>

1.3 South China Sea-related Events

July 2 “Chinese patrol ships practice in the South China Sea” (Xinhua, July 3, 2012)

China's patrol team consisting of four China Marine Surveillance (CMS) ships conducted a formation practice near Yongshu Reef in the South China Sea on the 2nd. The two-hour practice session was fulfilled smoothly but a helicopter scheduled to take part did not do so, due to adverse weather. The CMS patrol sailed from south China's coastal city of Sanya on June 26 to the South China Sea to conduct regular operations. The team is expected to travel more than 2,400 nautical miles (4,500 km) during the patrols.

Refer to the article: Chinese patrol ships practice in S China Sea

http://news.xinhuanet.com/english/china/2012-07/02/c_131689764.htm

July 6 “C. Thayer: Vietnam counts on U.S. weaponry” (World Politics Review, July 6, 2012)

In June, Vietnam asked the United States to end a ban on lethal weapon sales to the country in service of its ongoing military upgrade. In the email interview of the online news site *World Politics Review* dated the 6th, Carlyle A. Thayer, an emeritus professor at the University of New South Wales at the Australian Defense Force Academy, discussed Vietnam's military modernization as follows.

WPR: What is the current size, scope and capability of Vietnam's military, and what are the major gaps it is seeking to fill?

Carlyle A. Thayer: The Vietnam People's Army (VPA) totals 482,000 main forces, comprised of the army (412,000), navy (40,000) and air-defense air force (30,000). The armed forces also include a 40,000 strong paramilitary Border Guard and a reserve force estimated at 5 million. The VPA remains a land force that is rated good on a four-point scale (poor, fair, good, very good) in its capacity to defend territory, fair in its capacity to seize territory and fair in its ability to carry out a constabulary role. The VPA modernization efforts are unlikely to change these assessments by 2015. The VPA is currently rated as poor in the category of strategic strike, but modernization efforts underway are expected to raise this to fair by 2015. Vietnam is currently seeking to modernize its naval and air forces and develop the capacity to conduct joint operations in its maritime domain.

WPR: Who are Vietnam's main defense partners and weapons providers?

Thayer: Russia is Vietnam's leading provider of weapons. In recent years Vietnam has acquired two batteries of the S-300PMU-1 air defense missile system, two batteries of the Bastion coastal defense missile, 20 Su-30MK2 multirole fighters, six *Svetlyak*-class patrol boats, two *Gepard*-class guided missile frigates and various types of anti-ship missiles from Russia. Vietnam is expected to take delivery of six *Kilo*-class conventional submarines beginning in 2014. Ukraine, India, Israel and the Czech Republic are the next major arms suppliers. In a new development, Vietnam is acquiring four *Sigma*-class corvettes from the Netherlands.

WPR: How likely is the United States to lift the ban on the sale of lethal weapons to Vietnam, and what would the immediate impact be?

Thayer: In 2007, the George W. Bush administration amended the International Trafficking in Arms Regulations (ITAR) to permit the sale of nonlethal weapons to Vietnam on a case-by-case basis. Restrictions were kept in place on weapons and equipment that could be used by ground forces in crowd control. All lethal weapons and many military services remained banned. The Obama administration has made it clear to Vietnam that its poor human rights record remains a major impediment. In January 2012, when U.S. Sens. John McCain and Joseph Lieberman visited Hanoi, they were given a "wish list" of military equipment. They made clear at a press conference that they opposed the removal of arms restrictions until Vietnam improved its human rights record. When U.S. Secretary of Defense Leon Panetta visited Hanoi in June, Vietnamese Defense Minister Gen. Phung Quang Thanh requested that the United States remove all ITAR restrictions. Panetta passed on the same message. If the ban were lifted, Vietnam most likely would seek to acquire coastal radar, air defense missiles and maritime patrol aircraft in addition to spare parts for its inventory of Vietnam War-captured American equipment.

Refer to the article: Global Insider: Vietnam Seeks U.S. Equipment to Close Military Gaps

<http://www.worldpoliticsreview.com/trend-lines/12136/global-insider-vietnam-seeks-u-s-equipment-to-close-military-gaps>

July 7 "Tensions rise between China and Vietnam in the South China Sea" (The Economist, July 7, 2012)

The British magazine *The Economist* dated the 7th reports that just when a sigh of relief that China and the Philippines seemed to be drawing back from confrontation in the South China Sea appears, a new tension has arisen between China and Vietnam in the same stretch of ocean. Below is the summary of the report.

- (1) Tensions between China and Vietnam have escalated due to a chain of recent events. On June 21 Vietnam's parliament passed a maritime law that reasserted the country's claims to the Spratly and Paracel Islands. China called this a "serious violation" of its sovereignty. It responded by declaring that a county-level government which supposedly governs the two archipelagoes and much of the rest of the South China Sea from one of the Paracel Islands, the area named "Sansha city." Moreover, on June 23, China National Offshore Oil Corporation (CNOOC), a Chinese state-owned oil company, was opening nine blocks in

what China calls the South Sea to international bids for oil and gas exploration. These reach to within 37 nautical miles (68km) of Vietnam's coast, according to PetroVietnam, a Vietnamese state-owned oil firm.

- (2) Although both countries have been sending stronger signals that they might defend their claims with force, neither side wants this to escalate. Popular nationalism is a wild card. On July 1, hundreds of people joined rare protests in Hanoi and Ho Chi Minh City against China's assertion of claims to the Spratlys and Paracels. Vietnam, like China, is normally intolerant of public demonstrations, but police did little to intervene. Meanwhile, China's *Global Times* used an editorial on the 4th to lash out against both Vietnam and the Philippines. It also warned that if they went to "extremes in their provocations," this might involve military strikes. Chinese leaders do not want a burst of nationalist sentiment but uncertainty abounds as China prepares for big changes in its civilian and military leadership in the autumn. Contenders for power do not want to appear weak. As *Global Times* growled, "If these island disputes had happened in imperial times, they would have been handled in a much easier way."

Refer to the article: Roiling the waters: Tensions rise between China and Vietnam in the South China Sea

http://www.economist.com/node/21558262?fsrc=scn/tw_ec/roiling_the_waters



Source: The Economist, July 7, 2012

July 11 “M. Valencia: China’s recent actions in the South China Sea and its intention” (The Japan Times, July 11, 2012)

An Australian expert on maritime security, Mark J. Valencia contributed an article titled “China upsets Asia’s applecart” to *The Japan Times* dated the 11th. China’s national oil company, China National Offshore Oil Corporation (CNOOC), has startled the region by offering oil blocks on Vietnam’s claimed continental shelf for bidding by foreign companies. The offering includes large parts of blocks that Vietnam has already leased to major oil companies — America’s Exxon Mobil, Russia’s Gazprom and India’s ONGC (in regard to CNOOC oil blocks, please see OPRF MARINT Monthly Report June 2012, 1.3 South China Sea-related Events). Valencia points out China’s intention on this incident as follows.

- (1) This action appears to confirm that China claims everything within its nine-dashed historic line. Adding an exclamation point, China sent “battle-ready” vessels to defend its claim to Scarborough Shoal. Beijing’s next mission could well be to bring a Chinese presence to Vietnam’s continental shelf. Its latest move is “over the top.” Perhaps China is saying there is no agreed boundary there and thus the area is in dispute. While China can make arguments regarding “historic waters or historic rights,” they would be a reach, and likely to be ridiculed and rejected by politicians and analysts alike. Worse, “historic waters” traditionally equates to internal waters in which there is no “freedom of navigation.”
- (2) This is of course a prime concern of the United States — that China may one day try to enforce such a regime in the South China Sea. The United States has consistently stated that it opposes the use of force to settle the South China Sea disputes. Politically, this move by China plays right into the U.S. “wheel house” and it is likely to gain considerable advantage with the Association of Southeast Asian Nations because of it. Apparently China has chosen not to heed the sensitivities of ASEAN or U.S. admonishments to accept and abide by the existing order and international law. Rather it apparently will proceed unilaterally implementing and enforcing its historic claim and refusing third-party adjudication, arbitration or conciliation. Not only have its actions — including establishing a new administrative headquarters for the South China Sea called Sansha — offended Vietnam, they clearly violate the ASEAN-China Declaration on Conduct in the South China Sea. Obviously this development will make agreement on a binding code with a dispute settlement mechanism much more difficult — if not impossible.
- (3) Why is China doing this at this time? Does it have something to do with its leadership transition? Is it a sign that a nationalist military faction has gained more power? Or has China’s leadership decided that the “die is cast” and it might as well “show its hand”? Whatever the motives, the move has set the region on edge. China, of course, has the right — as many nations including the United States before it — not only to rise — but to alter the regional and international order in its favor. This recent action seems to be an indication that this is precisely what it intends to do.
- (4) The U.S. “rebalancing” toward Asia in foreign and defense policy had already rattled the region and increased tension between the United States and China. China perceives the

U.S. move as an attempt to constrain its “rise.” Some ASEAN nations do not want to have to choose between the two — individually or collectively. Indeed, China and the United States are now locked in a competition for the hearts and minds of Southeast Asians. While Vietnam and the Philippines welcome the U.S. policy shift, others are less sanguine. Indeed, some are outright worried that U.S.-China rivalry will dominate regional political affairs, increase instability and erode ASEAN political and security centrality. In a worst scenario from an ASEAN perspective, the China-U.S. rivalry could feed upon and reinforce itself, becoming a serious political conflict dominating the South China Sea issues, splitting ASEAN on the issue and subordinating ASEAN “centrality” in regional security matters.

Refer to the article: China upsets Asia’s applecart

<http://www.japantimes.co.jp/text/eo20120711a1.html>

July 15 “The ARF is negative outcome for the U.S.” (The Wall Street Journal, July 12, 2012)

The ASEAN Regional Forum (ARF) held from the 12th to the 13th in Phnom Penh, Cambodia, ended amid tense disagreements over how to address territorial claims in the sea. Such a failure is “unprecedented” in the group’s 45-year history. The Philippines blamed the presidency holder Cambodia resisting any steps that would embarrass China.

Mrs. Clinton said the talks demonstrated progress because they showed the nations were willing to discuss the difficult issue. However, “Anytime they don’t, it’s a victory for China,” said Dan Blumenthal, director of Asian studies at the American Enterprise Institute, a conservative think tank. In a number of respects, the ARF is a negative outcome for the United States that has made efforts to strengthen ASEAN’s unity as a regional block that could be a united front to oppose the growing influence of China. “The United States will be very disappointed that ASEAN hasn’t been able to reach agreement on this issue, they can’t say that publicly though” said Ian Storey, a senior fellow at the Institute of Southeast Asian Studies in Singapore.

Refer to the article: Sea Dispute Upends Asian Summit

http://online.wsj.com/article/SB10001424052702303919504577524133983292716.html?mod=wsj_share

July 20 “China deploys military garrison in Sansha city” (Global Times, Xinhua, July 21, 2012)

Sources with the People’s Liberation Army (PLA) Guangzhou Military Command announce on the 20th that China’s central military authority has approved to form and deploy a military garrison in the newly established city of Sansha. The garrison command will be a division-level command under the PLA’s Hainan provincial sub-command. The PLA’s Sansha Garrison Command will be under the dual leadership of the Hainan provincial sub-command and the city’s civilian leaders.

Refer to the article: China to deploy military garrison in South China Sea

<http://www.globaltimes.cn/content/722368.shtml>

【Related article】**“Sansha’s current state” (Global Times, July 18, 2012)**

The Chinese newspaper *Global Times* dated the 18th, Sansha was approved by the State Council as the third prefectural-level city in Hainan Province on June 21. The current state of Sansha city is announced as follows. Sansha’s current state is reported as follows. Sansha has an island area of just 13 square kilometers, but more than 2 million square kilometers of ocean. Yongxing Island itself is just 2.3 square kilometers, but is home to 833 permanent residents, the vast majority of whom are staff working for local government agencies and their family members. In addition, there are also some 2,000 fishermen engaging in regular fishing activities in the Xisha Islands.

Refer to the article: A glimpse into Sansha, the heart of the South China Sea debate

<http://www.globaltimes.cn/content/721902.shtml>

Sansha new step in managing S.China Sea

<http://www.globaltimes.cn/content/717193.shtml>



Source: Global Times, July 18, 2012



永興島

Source: Time, Battleland blog, July 26, 2012



The building that will be used as Sansha's city hall.

Source: Global Times, July 18, 2012

See also video:<http://english.cntv.cn/program/china24/20120622/103096.shtml>

July 23 “Spratlys, Paracels not on 1904 Chinese map” (Tuoi Tre News, July 23, 2012)

According to *Tuoi Tre News* in Vietnam dated the 23rd, a Han-Chinese map of China published in 1904 reveals that Hoang Sa (Paracel) and Truong Sa (Spratly) Islands did not belong to China. After holding it for 30 years, Dr. Mai Hong, former head of the Library of the Institute for the Study of Chinese and Demotic Scripts and Cultures, has decided to release the historical evidence. In an interview, D. Hong, said, “In my opinion, this map will provide some helpful evidence that helps Vietnam get more active in resolving disputes with China over the ownership of the two islands in the East Sea. This is also helpful data for local scholars or researchers who

are studying the seas and the islands' sovereignty.” Dr. Hong contacted the National Museum of Vietnamese History to hand over the map for display and preservation. The ceremony marking the gift is scheduled for the morning of July 24 in Hanoi.

Refer to the article: Spratlys, Paracels not on 1904 Chinese map

<http://tuoitrenews.vn/cmlink/tuoitrenews/society/spratlys-paracels-not-on-1904-chinese-map-1.80705?localLinksEnabled=false&utm>



The Han-Chinese map published in 1904 by Shanghai Publishing House

Source: Tuoi Tre News, July 23, 2012

July 24 “Cannons and mortars to be deployed on Taiping in South China Sea” (The China Post, July 25, 2012)

A total of eight sets of 40mm autocannons and a certain number of 120mm mortars will be installed on Taiping Island by the end of August, unidentified Taiwan’s Ministry of National Defense (MND) sources said on the 24th. The latest weapons are expected to replace the existing 106mm recoilless guns and the 81mm mortars currently used by Taiwan’s Coast Guard Administration (CGA). The CGA has been responsible for defending Taiping since the Marines were withdrawn in 1999 to ease tensions with other claimants. Also, the MND and the CGA could

hold a regular live-fire drill at some time in August in Taiping.

Refer to the article: Cannons and mortars to be deployed on Taiping in South China Sea: MND
<http://www.chinapost.com.tw/taiwan/national/national-news/2012/07/25/348736/Cannons-and-htm>

July 25 “Will the U.S. implement alliance treaty with the Philippines for conflict of the South China Sea” (ABS-CBN News, July 25, 2012)

ABS-CBN News in the Philippines on the 25th covers a report titled by “STIRRING UP THE SOUTH CHINA SEA (II): REGIONAL RESPONSES” published by the Belgian think tank The International Crisis Group (ICG), and reports whether the alliance treaty between the Philippines and the United States can apply to a conflict over territory and rights in the South China Sea. Below is the summary of the news.

- (1) The U.S. military might not come to the Philippines’ aid if Chinese forces attack Filipino ships and claimed territory in the disputed Spratly Islands and Scarborough Shoal, the ICG report has warned. While the 1951 Mutual Defense Treaty (MDT) requires Manila and Washington to support each other if either of the 2 countries are attacked by a third party, the United States has yet to make a full commitment with regard to the Spratlys and Scarborough Shoal, according to the ICG. “While the text calls for the United States to respond to an armed attack against the Philippines, Manila only received ‘vague assurance’ that Washington would uphold the treaty during the Scarborough standoff,” “Furthermore, the United States has not confirmed whether the scope of the treaty covers contested territories in the South China Sea,” the ICG added.
- (2) On March 5, U.S. Secretary of State Hillary Clinton said Washington is neutral in the Philippines-China dispute and is instead focused on ensuring free navigation, unimpeded commerce and stability in the West Philippine Sea. An analysis of Asian affairs specialist Thomas Lum said in a report dated April 5 for the Congressional Research Service titled “The Republic of the Philippines and U.S. Interests” that the United States does not consider the MDT and subsequent renewals to extend to features in the West Philippine Sea. However, he added, that “the Obama administration has not further specified the circumstances under which the U.S. armed forces would intervene on behalf of the Philippines,” “The Manila Declaration of November 16, 2011, did not lay out specifically the circumstances in which the United States would defend Philippine claims in the South China Sea,” he said.
- (3) Philippine Foreign Affairs Secretary Albert del Rosario has issued an official statement dated May 9 saying the Obama administration, through Clinton, renewed its “commitment to the defense of the Philippines” if China attacks Filipino forces in the Spratly Islands. Del Rosario also said Clinton, during the “Two Plus Two” meeting between officials of the 2 countries in Washington, D.C. in April this year, “reiterated that the United States “reaffirms our commitment and obligations under the mutual defense treaty.” Philippine President Benigno Aquino III and U.S. President Barack Obama reaffirmed their

commitment to the U.S.-Philippine Mutual Defense Treaty, as well as to peace and security in the Asia-Pacific region, during their bilateral meeting in the White House in June this year.

- (4) Ian Storey of the Institute of Southeast Asian Studies said, “Although the United States has given strong rhetorical support to its alliance relationship with the Philippines, in the event of a clash in the South China Sea U.S. military assistance to the AFP would be ‘scenario dependent.’” Walter Lohman, director of the Asian Studies Center at The Heritage Foundation, said in an article published in May titled “Scarborough Shoal and Safeguarding American Interests” that Washington must clarify its position on the MDT with regard to the Philippines-China territorial dispute. He said in 1979, U.S. Secretary of State Cyrus Vance confirmed in an official letter to Philippine Foreign Secretary Carlos P. Romulo that the MDT covers an “attack on Philippines armed forces, public vessels or aircraft” even if such attack does not occur in the “metropolitan territory of the Philippines or island territories under its jurisdiction.” Lohman said, “The United States should make clear to [China] officials privately that in the event of an armed PRC attack on Philippine ‘public vessels,’ the United States must invoke its treaty commitment to declare such action ‘dangerous to its own peace and safety’ and would initiate formal consultations with the Philippines to determine an appropriate course of action.”

Refer to the article: Will the US defend Philippines if China attacks?

<http://www.abs-cbnnews.com/-depth/07/25/12/will-us-defend-philippines-if-china-attacks>

Note: The International Crisis Group (ICG), *STIRRING UP THE SOUTH CHINA SEA (II): REGIONAL RESPONSES*

<http://www.crisisgroup.org/~media/Files/asia/north-east-asia/229-stirring-up-the-south-china-sea-ii-regional-responses>

Thomas Lum, The Republic of the Philippines and U.S. Interests, Congressional Research Service, April 5, 2012

<http://www.fas.org/sgp/crs/row/RL33233.pdf>

Statement of Secretary del Rosario regarding the Philippines-U.S. Mutual Defense Treaty, May 9, 2012

<http://www.gov.ph/2012/05/09/statement-of-secretary-del-rosario-regarding-the-philippines-u-s-mutual-defense-treaty-may-9-2012/>

Walter Lohman, “Scarborough Shoal and Safeguarding American Interests,” Heritage Foundation, Issue Brief, May 14, 2012

http://thf_media.s3.amazonaws.com/2012/pdf/ib3603.pdf

July 27 “Vietnam ready to host Russian maritime base” (RIA Novosti, July 27, 2012)

Vietnam will allow Russia to set up a ship maintenance base at its port of Cam Ranh, Vietnamese President Truong Tan Sang said on the 27th. He stressed that the port would not be a Russian military base. But he also said that Cam Ranh would be used to help develop “military co-operation.” Sang also said Hanoi was planning to develop the capacity to provide maintenance

services to any foreign ship docking at Cam Ranh.

Refer to the article: Vietnam Ready to Host Russian Maritime Base

<http://en.rian.ru/world/20120727/174804220.html>

1.4 Diplomacy and International Relations

July 1 “Article of specialist on China PLA hawkish generals increase their clout foreign policy” (The Wall Street Journal, July 1, 2012)

Mr. Willy Lam is a professor of China studies at Akita International University, Japan, and an adjunct professor of history at the Chinese University of Hong Kong. He contributed an article with a sensational subtitle, titled “China’s Hawks in Command: Gen. Zhang Zhaozhong denounced American-trained foreign policy experts as ‘traitors,’” to the American newspaper *The Wall Street Journal* dated the 1st. The author says that the unprecedented influence of People’s Liberation Army generals in the formulation of foreign policy. Below is the summary of the article.

- (1) The Chinese Communist Party has begun to pursue a more aggressive foreign policy over the past few years. To some extent this is to be expected as the country’s economic and military clout grows substantially. But a key factor has so far been overlooked: The unprecedented influence of People’s Liberation Army generals in the formulation of foreign policy. Since 2010, PLA hawks have been making belligerent statements in the official media. This trend grew more pronounced late 2011 when Rear Admiral Yang Yi urged the abandonment of Deng’s diplomatic dictum to “keep a low profile and never take the lead.”
- (2) “It’s no longer possible for China to keep a low profile,” he said. “When any country infringes upon our nation’s security and interests, we must stage a resolute self-defense,” he said. By “resolute self defense,” Admiral Yang says he means a “quick, low-cost and effective counter-attack.” In June, Major General Han Xudong, who teaches at the PLA’s National Defense University, said that it’s time the country abandoned its “anti-expansionist” doctrine. In an article in the state-owned *Global Times* newspaper entitled “The defensive mentality has hobbled China’s overseas expansion,” he unabashedly called for an expansionist policy in the military, geopolitical and economic arenas. Gen. Han indicated that while it had been traditional Chinese policy “not to seek hegemonism,” this should not be construed to mean that the country should not pursue expansionist goals. “Only if we’ve smashed the ‘non-expansionist’ mental block can China speed up its transition from a regional power to a global power,” he wrote.
- (3) The generals seem to be pushing the country toward a confrontational approach in sovereignty disputes in the South China Sea, one of the most dangerous flashpoints in the Asia-Pacific Region. Their rhetoric is simple: The PLA should no longer hesitate to punish countries that dispute China’s claims to myriad islets, as well as the oil and gas resources under them. Major General Luo Yuan recently scolded “nationalistic warmongers” in the

Philippines, whose naval vessels have since May been locked in a confrontation with Chinese counterparts close to the Scarborough Shoal (known as the Huangyan Islet in China). He warned, “If Manila can’t rein in these kids, let’s do the job for them.” Referring to a possible naval battle with the Philippines, he added, “We have repeatedly exercised forbearance—and our patience has run its course. There is no more need to take caution.”

- (4) The PLA and its strategists are behind the decision in June to establish Sansha City, a new municipal-level unit in Hainan province that is responsible for administering archipelagoes including the Paracel and the Spratly Islands, many of which are claimed by neighboring nations. While the idea for setting up Sansha was first mooted by the Chinese leadership in 2007, the foreign-policy establishment opposed it. A number of career diplomats argued that such a move might fan the flames of the “China threat” theory in Southeast Asian countries, not to mention the United States. Up until 2011, senior academics specializing in international relations criticized unnamed generals for meddling in foreign policy. In an interview with *The Wall Street Journal* in October 2010, for example, Tsinghua University Professor Chu Shulong complained that “the Chinese military is too powerful in decision-making, especially on foreign policy.” A few months later, Peking University Professor Wang Jisi laid into a host of hawkish commentators, including military personnel, for voicing “reckless statements, made with no official authorization [that] created a great deal of confusion.” Since mid-2011, however, even high-powered academics such as Messrs. Wang and Chu have not dared contradict the generals. Major General Zhang Zhaozhong recently claimed that there are “more than one million traitors” in China and elaborated that “some of our scholars are trained by the Americans.” “They read American books, accepted American ideals and they are now helping the U.S. to fool the Chinese,” he added in a talk widely disseminated online.
- (5) The generals gained clout partly because of the increasing conflict within the Communist Party’s leadership ahead of the 18th Party Congress scheduled for this October or November. The military has always been guaranteed 20% of the seats of the powerful Central Committee, which at least in theory elects Politburo members. So the major factions rely on the generals for support in the horse-trading and skullduggery that are the trademark of every congress. Just as important as the Politburo is the Party’s organ for controlling the PLA, the Central Military Commission. The man supposed to take over as the Party’s top leader, Xi Jinping, is facing resistance to his bid to also become chairman of the CMC, as Mr. Hu would like to remain chairman for at least two years. Mr. Xi has enlisted the support of several dozen “princeling generals” in the PLA, and in return for their backing he is willing to give the top brass a bigger say in foreign policy. While the PLA has China’s civilian leaders over a barrel for now, the Party may try to reassert its primacy over foreign policy after this fall’s congress. But with an economic slowdown already underway, it will be difficult to put the genie of nationalism back in the bottle.

Refer to the article: China’s Hawks in Command: Gen. Zhang Zhaozhong denounced American-trained foreign policy experts as ‘traitors.’

<http://online.wsj.com/article/SB10001424052702304211804577500521756902802.html>

July 3 “Malaysian expert’s view: U.S. ‘rebalancing strategy’ and ASEAN’s option” (New Straits Times, July 3, 2012)

The Malaysian newspaper *New Straits Times* dated the 3rd runs an article written by Dr. Tang Siew Mun of the Institute of Strategic and International Studies (ISIS) in Malaysia, titled “A difficult ‘rebalancing’ act.” For ASEAN countries, the rebalancing strategy goes beyond affirming our friendly and cooperative ties with the United States. It will also be an important marker of our relations with China and the United States. Regarding the way of ASEAN countries’ correspondence, he states main points as follows.

- (1) The main storyline on the rebalancing strategy is not -- while important -- the redeployment of U.S. military assets in the region. U.S. military forces have been a fixture in the region’s strategic balance since 1945. The pertinent questions are where would these assets be located and how would this strategy effect regional security? To pre-empt concerns of attempts to re-establish a network of bases in the region, Washington was quick to put this issue to rest with the “places not bases” doctrine.
- (2) The United States is enlarging its military footprint in the region by expanding its partnership and cooperation with regional parties. Recently, Singapore agreed to support the forward deployment of four littoral combat ships, while Australia agreed to host the rotational deployment of up to 2,500 U.S. Marines in the autumn of 2011. If the Philippines and Thailand join Australia and Singapore in supporting U.S. military operations -- in temporary or permanent forms -- it will give the U.S. unparalleled access to the strategic waterways from the eastern part of the Indian Ocean to the South China Sea. Coupled with its bases in South Korea and Japan, the United States will have a string of operational platforms spanning from the Indian to the Pacific oceans.
- (3) Thus far, regional responses have been rather diplomatic and positive. However, ASEAN states need to be more circumspect and carefully weigh the pros and cons of an enlarged U.S. military footprint in Southeast Asia. Military assets are tools to achieve strategic goals. It is all too convenient to justify the increased military presence in the context of humanitarian assistance and disaster relief or other non-traditional security concerns. The strategic implications of the rebalancing strategy need to be fully understood. The rebalancing strategy will have an impact on the region’s relations with China. Is our acceptance of some form of enhanced U.S. military presence part of our hedging strategy vis-à-vis China? Or is this the beginning of a shift towards balancing China?
- (4) ASEAN states are hesitant to address these questions for fear of marginalising either of the major powers. Our time-honoured mantra is “not having to choose” and we shall strive to maintain close relations with China and the United States. If China is not a threat, we should be witnessing a scaling down of military power, rather than the increase which the rebalancing strategy seems to be making. There is something fundamentally wrong when we advocate cooperation while concomitantly laying the groundwork for strategic

competition. The rebalancing strategy goes beyond affirming our friendly and cooperative ties with the United States. It will also be an important marker of our relations with China and the United States. The price of hedging has increased and the days when ASEAN states have to make the difficult choice is looming. Is the solution to be found in reaffirming the zone of peace, freedom and neutrality?

Refer to the article: A difficult 'rebalancing' act

<http://www.nst.com.my/opinion/columnist/a-difficult-rebalancing-act-1.101555>

1.5 Shipping, Shipbuilding and Harbors

July 23 “Norway’s new model ferry sails by only LNG fuel” (Marine Log, July 24, 2012)

Fjord Line, a cruise line, announces on the 23rd that two cruise ferries being built sail only with Liquefied Natural Gas (LNG) based power and propulsion systems. The ships were originally ordered with dual-fuel engines. However, Bergen Group announces that Rolls-Royce single-fuel LNG engines are installed to the two ships. The gas-only fueled engines will reduce nitrogen oxide (NO_x) emissions by about 90 percent while sulfur oxide (SO_x) and particulates emissions will be negligible. Emissions from Rolls-Royce gas engines are already within the limits of IMO Tier III environmental legislation, due to come into force in 2016. Each of the vessels will have a deadweight of 4,000 tonnes, a length of 170 metres, 1,500 passengers and 600 cars. The passenger ferries will begin regular service between the west coast of Norway and Denmark in the summer of 2013.

Refer to the article: Fjord Line orders Rolls-Royce LNG engines for newbuilds

http://www.marinelog.com/index.php?option=com_content&view=article&id=2699:fjord-line-orders-rolls-royce-lng-engines-for-newbuilds&catid=81:ferries&Itemid=189



The Image of the cruise ferry sailed only with LNG

Source: Marine Log, July 24, 2012

1.6 Ocean Resources, Energy, Marine Environment and Others

July 2 “Navy to resume sinking old ships in U.S. waters” (Military Times, July 2, 2012)

According to the online news site Military Times dated the 2nd, the U.S. Navy is resuming its practice of using old warships for target practice and sinking them in U.S. coastal waters after a nearly two-year moratorium spurred by environmental and cost concerns. In July, three inactive vessels will be sent to a watery grave off Hawaii by torpedoes, bombs and other ordnance during the Rim of the Pacific naval exercises, or RIMPAC. It will be the first time since 2010 the Navy has used Sinkex (short for sinking exercise) to dispose of an old ship. Conservation groups argue that the ghost ships should instead be recycled at a ship-breaking facility. Concerns about the long-lasting effects of toxic pollutants onboard the ships spurred a lawsuit by those groups to force the Environmental Protection Agency (EPA) to better catalog and regulate Sinkex. The case, filed in U.S. District Court in San Francisco, is ongoing. On the other hand, the Navy says Sinkex offers valuable live-fire training for times of war and provides clean vessels for at-sea, live-fire exercises. The ships can be targeted from the air, ocean’s surface or underwater, with the results aiding the acquisition, planning and design of future vessel classes and systems, the Navy said. The Navy must also conduct the exercises at least 50 nautical miles from shore and in water at least 6,000 feet deep. In the past 12 years, the Navy sunk 109 peeling, rusty U.S. warships off the coasts of California, Hawaii, Florida and other states during that period. Navy documents show some of the ships it sunk contained an estimated 500 pounds of PCBs. During the same time, 64 ships were recycled at one of six approved domestic ship-breaking facilities.

Refer to the article: Navy to resume sinking old ships in U.S. waters

<http://www.militarytimes.com/news/2012/07/ap-navy-resume-sinking-warships-070212w/?utm>

2. Intelligence Assessment

2.1 Piracy and Armed Robbery against Ships up to the First Half of 2012 - Characteristics viewed in the IMB Report -

On July 15, the International Maritime Bureau (IMB) of the International Chamber of Commerce (ICC) published a report on the incidents of piracy and armed robbery against ships noted in the world during the first half of 2012 (January 1–June 30) through the Piracy Reporting Center (PRC) based in Kuala Lumpur. Below is a summary of the characteristics of the incidents of piracy and armed robbery against ships viewed from the IMB report (hereinafter referred to as Report) noted during the first half of 2012.

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

1. Characteristics viewed from numbers and locations of the incidents (including attempted attacks)

The number of the incidents reported during the first half of 2012 was 177 (266 during the same period in 2011). Of them, 100 (128 during the same period in 2011) were actual attacks. Of them, 20 (29 during the same period in 2011) were cases hijacked, and 80 (99 during the same period of 2011) were cases boarded. There were 77 (138 during the same period in 2011) attempted attacks. Of them, 25 (76 during the same period in 2011) were cases fired upon, and 52 (62 during the same period of 2011) were cases attempted. However, the IMB is regarding there are a great number of the unreported cases apart from the reported cases, advising the shipping owners and captains of the ships to report all piratical attacks and suspicious movements of the crafts to the bureau.

The number of 177 attacks noted during the first half of 2012 showed a remarkable decrease, compared with the number of 266 attacks (439 attacks throughout the year) noted during the same period in 2011. The trends of attacks during each first half of the recent six years are as shown in the Table 1. Looking at the attacks by location, of 177 attacks, 118 attacks which occupy 66% of the total have occurred in the five locations below. Looking at the attacks in order of a higher frequency, as shown in the Table 2, there are 44 attacks off Somalia including the Indian Ocean (125 during the same period in 2011), 32 attacks in Indonesia (32 during the same period in 2011), 17 attacks in Nigeria (6 during the same period in 2011), 13 attacks in the Gulf of Aden (20 during the same period in 2011), and 12 attacks in the Red Sea (18 during the same period in 2011). This trend shows a huge increase in Nigeria and Indonesia.

The number of incidents (attacks) in the Gulf of Aden, off Somalia (including the Indian Ocean), and the Red Sea in the surrounding waters of the “Horn of Africa” totals 69, which distinctly indicates a huge decrease compared with 163 in the same period of 2011. Especially, the number of incidents in off Somalia (including the Indian Ocean) totals 44 compared with 163 in the same period of 2011, which indicates nearly the one-third decrease.

According to the Report, of 69 attacks, 13 hijacked incidents (4 in the Gulf of Aden and 9 off Somalia, including the Indian Ocean), 1 boarded incident (off Somalia, including the Indian Ocean) were noted. 217 seafarers have been taken hostage, 1 (3 in the same period of 2011) has been injured and 2 (7 in the same period of 2011) killed. As of the end of June 2012, 11 ships and 174 crews are still detained. Additionally 44 crews are abducted on land, pulled up from sea.

According to the report, the decrease in the number of incidents in off Somalia is attributed to the deployment of naval forces, the practical use of anti-piracy manual such as BMP (the Best Management Practices), the self-defense measures of vessels, the increase on employment of private armed guards such as PCASP (Private Contracted Armed Security Personnel), and the EU fleet’s attacks to the base of Somali pirates.

On the other hand, Somali pirates continue to threaten an extended geographical region, which covers from the southern part of the Red Sea in the west to 76 degrees East longitude and 25 degrees North latitude in Gulf of Oman to 22 degrees South latitude, and use hijacking vessels and dhows as their mother boat. According to the report, while it is estimated that a number of incidents executed by Somali pirates in the Indian Ocean and the Arabian Sea decrease, affected by difficulty of using small boats due to monsoon season from June to beginning of September, incidents likely increase in the unaffected areas.

Other part, the situation in the Gulf of Guinea on the west coast of Africa is deteriorating. The number of incidents rise 32 including 5 hijackings from 25 in the same period of 2011. Especially off Nigeria is the hot spot of achieving remarkable increase, showing 17 attacks including 3 hijacked incidents, 7 boarded incidents and 61 people abducted from 6 attacks in 2011. In cases of attempted, 7 boarded incidents and 6 shooting incidents occurred. And guns were used at least 20 of the 32 incidents and 1 crew member was killed and another also died.

As the **Table 1** shows, in Southeast Asia, the number of incidents in Indonesia are 32, increasing by 20% from 21 in the same period of 2011. In Indonesia, the incidents have most frequently occurred in the vicinity off Anambas, Natuna, Mangaki, Subi, Merudung, Jakarta Tanjungpriok, Dumai and Taboneo in the South China Sea. But the most of cases are low-intensity robbery, targeting anchored vessels by armed men with knives or hatchets. Furthermore, as the **Table 2** indicates, there was 1 hijacked incident each in the Strait of Malacca and the South China Sea.

2. Characteristics viewed from activities

The **Table 2** shows the status of attacks by location noted frequently in the areas in Asia and others up to the half of 2012. The **Table 3** shows the status of ships attacked, including the attempted cases, by location in 2012.

Analyzing the table 2 and 3, the distinct feature of attacks by Somali pirates can be discovered. All the attacks including attempted cases occurred at time when vessels were streaming and the mother-vessels and small high-speed boats were often used.

In Southeast Asia, the feature is that many of the cases were boarded incidents and occurred at time when vessels were anchored. In the case of Strait of Malacca, a Malaysian fishing vessel *PKFB 1340 (C)* was hijacked by armed pirates but the Malaysian Authorities rescued all crew members. Another hijacked one was reported in South China Sea, which a Malaysian tugboat *TB Wantas 6* and barge *Wantas VII* was attacked while underway from Singapore Straits to Tawau.

In the first half of 2012, ports and anchorages which were attacked more than three times are recorded at 7 different places (8 in 2011) and the number of incidents totally is 33 (37 in 2011). According to the report, the 7 places are Dumai (8 attacks, twice as many as 4 in 2011), Chittagong in Bangladesh (6 attacks), Lagos in Nigeria (5 attacks), Lome in Togo (5 attacks), Abidjan in Ivory Coast (3 attacks), El Dekheila in Egypt (3 attacks) and Taboneo in Indonesia (3 attacks).

What types of vessels were attacked as the targets of the pirates/robbers? The number of ships involved in attacks including attempted cases is noted as follows. The highest number is 39 Bulk carriers and the following are 33 chemical tankers, 26 containers, 22 crude oil tankers, 13 product tankers, 8 general cargos, 6 tugs and 6 LPG tankers. Moreover it is outstanding that the attacks for general cargo dramatically decrease from 20 attacks in the same period of 2011. Somali pirates hijack various kinds of vessels and the report indicates that they have an ad hoc tendency.

In terms of flag states, totally 177 attacks are reported in the first half of 2012 and 33 of the all are occupied by Liberia-registered vessels. The following are 26 Panama-registered vessels, 24 Singapore-registered vessels, 11 Hong Kong-registered vessels, 9 Marshall-registered vessels and 6 Malta-registered vessels. No Japan-registered vessels are attacked while 4 cases were reported in the past 6 years (1 in 2007, 2 in 2008 and 1 in 2011).

Other part, focusing on countries where victim ships controlled/managed, it is obvious that the highest number of 37 were given to Singaporean vessels. The following are 25 Greek and Germany vessels, 10 Hong Kong vessels, 8 UK's vessels, 7 Indian vessels and 6 Danish vessels. Japanese vessels which were attacked remarkably decrease 3 from 12 in the same period of 2011.

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

Looking at the damages to crews, as the Table 4 shows, the most of incidents are occupied by situations which crews were taken hostages or abducted in the past 6 years. But the number of people who were involved in the incidents in the first half of 2012 record 334, which indicate dramatic decrease compared with the same period in 2011. In the 334 people, as 38 were taken hostages in the Gulf of Aden and 179 were in Somalia, the vast majority of the incidents are concentrated in off Somalia. Other part, the number of people who were taken hostages in Nigeria recorded 61. The following are 5 in Indonesia, 6 in the Strait of Malacca, 11 in the Strait of Singapore, 7 in the South China Sea and 1 in Vietnam.

The Table 5 shows types of arms used by pirates in all incidents in the first half of the past 6

years. There are few changes in the trend that guns and knives are major arms of pirates for the past 6 years. Other part, focusing on the types of arms used by pirates by location, of a total of 78 attacks in which guns were used, 12 cases in the Gulf of Aden, 5 cases in the Red Sea and 33 cases in Somalia, which the most of cases were conducted by Somali pirates, were noted. This indicates that how dangerous Somali pirates armed with AK-47 rifles and RPG-7 rocket weapons are. The number recorded 17 attacks in Nigeria and 2 in Togo, which shows violent characteristics of pirate attacks frequently using guns in the waters in the Gulf of Guinea. In the cases of Southeast Asia, knives are more frequent than guns. Of a total of 39 attacks in which knives were used, Indonesia overwhelmingly recorded 15 attacks. Furthermore, the cases of “Not stated” were recorded 58 in all the 177 incidents and Indonesia recorded the highest number 14. The following are 11 attacks in Somalia and 7 in the Red Sea.

(By Hideshi Ueno, Research Fellow, Ocean Policy Research Foundation)

Table 1: Trends of incidents (including the attempted attacks) that occurred frequently in Asia and other areas in the first half of the recent six respective years

| Locations | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|-------------------------------------|------------|------------|------------|------------|------------|------------|
| Indonesia | 32 | 21 | 16 | 3 | 13 | 24 |
| Malacca Straits | 1 | | 1 | 2 | 2 | 2 |
| Malaysia | 4 | 11 | 9 | 9 | 6 | 6 |
| Philippines | 3 | 1 | 2 | 1 | 4 | 1 |
| Singapore Straits | 3 | 7 | 1 | 2 | 2 | 3 |
| Thailand / Gulf of Thailand | | | 1 | 1 | | 2 |
| South China Sea | 1 | 11 | 15 | 7 | | 1 |
| Vietnam | 4 | 4 | 7 | 5 | 3 | 3 |
| Bangladesh | 6 | 4 | 8 | 5 | 7 | 5 |
| India | 4 | 5 | 4 | 6 | 7 | 5 |
| Gulf of Aden * | 13 | 20 | 33 | 100* | 19* | 7 |
| Somalia | 44 | 125 | 51 | 44 | 5 | 17 |
| Red Sea ** | 12 | 18 | 14 | | | |
| Nigeria | 17 | 6 | 6 | 13 | 18 | 19 |
| Tanzania | 1 | | 1 | 5 | 7 | 7 |
| Arabian Sea *** | | | 2 | 1 | | 4 |
| Indian Ocean **** | | | | 1 | | |
| Oman ***** | | | | 2 | | |
| Sub Total for six months | 177 | 266 | 196 | 240 | 114 | 126 |
| Total at year end | | 439 | 445 | 406 | 293 | 263 |

Source: Made from Table 1 in the Report during the first half of 2012, pp.5-6. The total of the incidents covers all areas targeted in the Report.

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

Table 2: Status of attacks noted frequently in areas in Asia and others in the first half of 2012

| Locations | Actual Attacks | | Attempted Attacks | |
|-------------------|----------------|-----------|-------------------|--------------------|
| | Boarded | Hijacked | Fired Upon | Attempted Boarding |
| Indonesia | 28 | | | 4 |
| Malacca Straits | | 1 | | |
| Malaysia | 4 | | | |
| Philippines | 3 | | | |
| Singapore Straits | 3 | | | |
| South China Sea | | 1 | | |
| Vietnam | 3 | | | 1 |
| Bangladesh | 6 | | | |
| India | 3 | | | 1 |
| Gulf of Aden * | | 4 | 4 | 5 |
| Red Sea ** | | | | 12 |
| Somalia | 1 | 9 | 15 | 19 |
| Nigeria | 7 | 3 | 6 | 1 |
| Sub Total | 80 | 20 | 25 | 52 |
| Total | 177 | | | |

Source: Made from Table 2 in the Report during the first half of 2012, p. 9. The total of the incidents covers all areas targeted in the Report.

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

Table 3: The status of the ships during attacks by location noted in the first half of 2012

| locations | Actual | | | Attempted | | |
|-------------------|------------|-----------|-----------|-----------|-----------|-----------|
| | B | A | S | B | A | S |
| Indonesia | 2 | 23 | 3 | | 4 | |
| Malacca Straits | | | 1 | | | |
| Malaysia | | 2 | 2 | | | |
| Philippines | | 2 | 1 | | | |
| Singapore Straits | | 1 | 2 | | | |
| South China Sea | | | 1 | | | |
| Vietnam | 1 | 2 | | 1 | | |
| Bangladesh | | 6 | | | | |
| India | | 3 | | | 1 | |
| Gulf of Aden * | | | 4 | | | 9 |
| Red Sea ** | | | | | | 12 |
| Somalia | | | 10 | | | 34 |
| Nigeria | | | 7 | | | 7 |
| Sub Total | 7 | 60 | 33 | 1 | 11 | 65 |
| Total | 100 | | | 77 | | |

Sources: Made from Table 4 and Table 5 in the Report during the first half of 2012, p. 10-11. The total of the incidents covers all areas targeted in the Report.

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

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

Table 4: Types of violence to crew in the first half of a year throughout the recent six years

| Types of violence | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|-------------------|------------|------------|------------|------------|------------|------------|
| Hostage | 334 | 495 | 597 | 561 | 190 | 152 |
| Kidnapped | 3 | 13 | 3 | 7 | 6 | 41 |
| Threatened | 10 | 21 | 9 | 6 | 4 | 3 |
| Assaulted | 1 | 4 | 1 | 3 | 5 | 20 |
| Injured | 9 | 39 | 16 | 19 | 19 | 19 |
| Killed | 4 | 7 | 1 | 6 | 7 | 3 |
| Missing | | 0 | | 8 | 7 | |
| Total | 361 | 579 | 627 | 610 | 238 | 238 |

Source: Made from Table 8 in the Report during the first half of 2012, p. 12.

Table 5: Types of arms used by pirates during all attacks in the first half of a year throughout the recent six years

| Types of Arms | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|---------------|------------|------------|------------|------------|------------|------------|
| Guns | 78 | 160 | 100 | 151 | 39 | 37 |
| Knives | 39 | 35 | 35 | 36 | 31 | 29 |
| Other weapons | 2 | 3 | 2 | | 2 | 5 |
| Not stated | 58 | 68 | 59 | 53 | 42 | 35 |
| Total | 177 | 266 | 196 | 240 | 114 | 126 |

Sources: Made from Table 6 in the Report during the first half of 2012, p. 11.

2.2 Piracy and Armed Robbery against Ships in Asia in the first half of 2012 - From ReCAAP Annual Report -

In the end of July 2012, the Information Sharing Center (ISC) of the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP), which was established on the basis of ReCAAP, issued the report on the incidents of piracy and armed robberies against ships in Asia for the period of January 1-June 30 in 2012 (hereinafter, the Report). (ReCAAP is an abbreviation of the Regional Cooperation Agreement against Piracy.)

While reports of the International Maritime Bureau (IMB) cover the entire world, ReCAAP's reports cover the regional areas stretching from the Arabian Sea to northeast Asia via southern rim of the Eurasian continent. In addition, while the IMB gets intelligences from non-government vessels and shipping owners, those of ReCAAP come from information sharing with Focal Point in Hong Kong, Singapore-based Information Sharing Center (ISC) and Information Sharing Web, which is composed of mutual connections with Focal Point. The Focal Points of the respective nations are set at the coast guards, maritime police, ministries in charge of marine transportations, maritime affairs, and/or navy. (In the case of Japan, the focal point is set at Japan Coast Guard.) The focal points of the respective nations are not only coordinating with the law enforcement agencies, navy, port authorities, custom authorities and shipping circle, but also using data from the International Maritime Organization (IMO), IMB, and others.

At present, the ReCAAP consists of the 14 regional nations of India, Sri Lanka, Bangladesh, Myanmar, Thailand, Singapore, Cambodia, Laos, Vietnam, Brunei, Philippines, China, Republic of Korea, Japan and the three non-regional nations of Norway (joining in August 2009), Denmark (joining in July 2010), the Netherlands (joining in November 2010), and the United Kingdom (joining in May 2012). Although Malaysia and Indonesia are non-members, they are conducting exchanges of information with the ISC.

The following are the patterns and trends of the incidents of piracy and armed robbery against the ships noted from the ReCAAP report of the Asian region in the first half of 2012. (January 1 – June 30, 2012)

1. Definition of Piracy and Armed Robbery

Regarding the definition of Piracy and Armed Robbery against Ships, the ISC in ReCAAP accepts the “definition of piracy” in Article 101 of the United Nations Convention on the Law of the Sea (UNCLOS). As for the armed robbery against the vessels, the ISC accepts the definition of the “Code of practice for the Investigation of the Crimes of Piracy and Armed Robbery against Ships” which was adopted by the International Maritime Organization (IMO) in its Assembly session in November 2001. Piracy and Armed Robbery are stipulated in the Article 1 of the ReCAAP Agreement respectively.

2. Numbers and locations of actual and attempted attacks

According to the report, while the number of incidents reached 62 (87 in the same period of 2011), the actual attacks recorded 57 (72 in the same period of 2011) and the rest of those was 5 (15 in the same period of 2011). This means that the incidents decreased by 29% compared with the first half of 2011. As **Table 1** points out the number of incidents in the areas the ReCAAP covers in every first half for the past 5 years, contrary to the fact that the number of incidents increased in Indonesia, the number of attacks decreased in Malaysia, Singapore, the South China Sea and the Strait of Malacca and Singapore, compared with the same period of 2011. Therefore, the number of incidents in the first half of 2012 showed first decrease in the past 4 years.

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

| | 2012.1-6 | | 2011.1-6 | | 2010.1-6 | | 2009.1-6 | | 2008.1-6 | |
|-----------------------------------|-----------|----------|-----------|-----------|-----------|-----------|-----------|----------|-----------|----------|
| | Act | Att | Act | Att | Act | Att | Act | Att | Act | Att |
| East Asia | | | | | | | | | | |
| China | | | | | 1 | | | | | |
| Sub Total | | | | | 1 | | | | | |
| South Asia | | | | | | | | | | |
| Arabian Sea | | | | 3 | | | | | | |
| Bangladesh | 7 | | 5 | | 9 | 2 | 4 | 1 | 6 | 2 |
| Bay of Bengal | | | | 1 | 1 | | | | | |
| India | 4 | 1 | 6 | | 5 | | 4 | | 7 | 1 |
| Sub Total | 11 | 1 | 11 | 4 | 15 | 2 | 8 | 1 | 13 | 3 |
| Southeast Asia | | | | | | | | | | |
| Gulf of Thailand | | | | | 1 | | | | | |
| Indonesia | 28 | 2 | 22 | 1 | 13 | 6 | 3 | 2 | 8 | 1 |
| Malaysia | 2 | | 8 | | 9 | | 8 | 1 | 4 | |
| Myanmar | | | | | | | 1 | | | |
| Philippines | 3 | | 3 | | 1 | | 2 | 1 | 3 | 1 |
| Singapore | | | 2 | | | | | | | |
| South China Sea | 4 | | 8 | 6 | 10 | 3 | 7 | | 3 | 1 |
| Straits of Malacca & Singapore | 6 | 1 | 13 | 1 | 2 | 2 | 3 | | 2 | 3 |
| Thailand | | | | | | | 1 | | | |
| Vietnam | 3 | 1 | 4 | | 7 | | 5 | | 3 | |
| Sub Total | 46 | 4 | 59 | 8 | 43 | 11 | 30 | 4 | 23 | 6 |
| Total | 57 | 5 | 72 | 15 | 59 | 13 | 38 | 5 | 36 | 9 |
| Overall Total | 62 | | 87 | | 72 | | 43 | | 45 | |

Source: Made from data in ReCAAP ISC Half Yearly Report (January 1–June 30, 2012), Table 2, p.10.

Remarks: Act = Actual Incidents, Att = Attempted Incidents

3. Evaluation on significance of incidents

The most distinctive characteristic of the ReCAAP report is that the ISC evaluates significance of each incident in terms of two factors – violence factor and economic factor, and categorize.

In evaluation of the violence factor, the report uses the following criterion, (1) types of weapons used (violence is the most forceful when more highly efficient weapons than knives and others implement are used; (2) treatment of crews (violence is the most intensive if the crew are killed or kidnapped); and (3) numbers of the pirates /robbers who engaged in attacks (in this case, the more the numbers are, the greater the violence develops, and the organized crime will possibly increase.) Assessing the economic factors, the report uses a criterion of evaluating financial values of damaged vessels. In this case, the seriousness is the greatest when ships were hijacked with the cargoes.

For the above reasons, this report classifies all the incidents into the following 4 categories, adding “Petty Theft” to the rest of three.

| Category | Significance of Incident |
|-------------|--------------------------|
| CAT-1 | Very Significant |
| CAT-2 | Moderately Significant |
| CAT-3 | Less Significant |
| Petty Theft | Minimum Significant |

As the Table 2 categorizes the actual incidents in the every first half for the past 5 years, the incidents categorized into CAT-3 in the last 4 years are divided into the above-mentioned CAT-3 and Petty-Theft. Analyzing the Table 2, it is obvious that the CAT-1 recorded 1 incident during January-June 2012, which is the least for the last 5 years, and the incident involved the hijacking of Tag & Barge at 35nm off Sarawak in the South China Sea on 17 April 2012. According to the report, About 20 pirates boarded the tug boat and the crew was abandoned onto a lift and set adrift on 20 April. On 30 April, the crew was rescued by a passing Vietnamese fishing boat and the Philippine Coast Guard found the drifting barge, while the tug boat is still missing. Other part, the number of incidents on CAT-2 and CAT-3 in the past 3 years has remained mostly consistent and that of Petty Theft shows dramatic decrease from 34 during the same period in 2011.

Table 2: Number of actual incidents by Categories in the first half of each of past 5 years

| | 2012.1-6 | 2011.1-6 | 2010.1-6 | 2009.1-6 | 2008.1-6 |
|-------------|----------|----------|----------|----------|----------|
| CAT-1 | 1 | 4 | 3 | 3 | 3 |
| CAT-2 | 19 | 20 | 22 | 16 | 9 |
| CAT-3 | 15 | 14 | 16 | 3 | 10 |
| Petty Theft | 22 | 34 | 18 | 16 | 14 |

Source: Made from data in ReCAAP Half Yearly Report (January 1-June 30, 2012), Chart 1, p.7

4. Status of ships

According to the report, of the 57 actual attacks, 13 involved ships while underway and 44 involved ships at anchor. Of the 13 incidents, 1 belongs to CAT-1, 10 belong to CAT-2 and 2 belong to Petty Theft, while of the 44 incidents involved ships at anchor, 9 belong to CAT-2, 15 belong to CAT-3 and 20 belong to Petty Theft. About half of the number of CAT-2 involved ships which were anchoring at the ports and anchorages of Bangladesh, India and Vietnam, and robbers whose number of persons were constituted of 7-9 and >9, were armed with knives and machetes. In the case of incidents involving vessels while underway, robbers were armed with knives, machetes and guns (in 3 of the all) and usually targeted cash, crew's laptops, mobile phones or cargo.

The 14 CAT-1 incidents for the last 5 years are all while underway. Of the 14 CAT-1 incidents, 11 incidents were conducted by groups of between 7-20 persons and 12 incidents involved them armed with guns. Of the 9 hijackings, 4 incidents involved the loss of cash and crew's belongings, 1 involved a crew being murdered and 8 involved Tag & Barge which is lucrative, slow speed and low freeboard with cargo onboard. Therefore, the report points out that used Tag & Barge is relatively cheaper compared with new one and the demand for such used vessels has contributed to the increase in incidents involving the hijacking of tug boats and barges in recent years.

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