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A Monthly Maritime Bulletin and Perspectives of the Maritime Security Programme at the S. Rajaratnam School of International Studies

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MSP Perspectives:

Can the Philippine Navy Sustain Its Momentum towards External Defense?

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Broader Horizons — May 2016

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MSP PERSPECTIVES

Can the Philippine Navy Sustain Its Momentum towards External Defense?



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The Philippine Navy has in the recent years been experiencing some sort of a renaissance under the outgoing President Benigno Aquino III. The question is whether the new president-elect Rodrigo Duterte can sustain the Navy's momentum of modernization efforts. This depends on Manila's ability to bankroll new acquisitions and political commitment. The previous administrations could offer useful lessons.

Not long after the American forces withdrew from Philippine bases, the first major Sino-Philippine South China Sea incident erupted over Mischief Reef after Chinese forces were first spotted occupying it in 1995. Fidel Ramos tried to create enabling conditions to modernize the Navy.

Agreements were inked with the Moro National Liberation Front (MNLF) and Moro Islamic Liberation Front (MILF) rebels so as to allow the Navy to focus on the South China Sea. However, the Navy continued to suffer from persistent funding woes, which affected routine operations and maintenance. Forget about new acquisitions.

Ramos' successor, Joseph Estrada vacillated about prospects of American intervention in a Sino-Philippine South China Sea clash. But it was his haphazard approach towards the insurgencies, after he declared an "all-out war" on the MILF which re-plunged the country into the counter-insurgency quagmire, that stymied the Navy's modernization. There were no major Navy purchases under Estrada's watch.

Soon after she came to power, Gloria Macapagal-Arroyo tried to rectify the Navy's malaise; she restarted the Moro peace process in 2001. But soon after, clashes erupted between government forces and the rebels. The peace process was stymied after the Supreme Court ruled as unconstitutional the Memorandum of Agreement on the Muslim Ancestral Domain, which envisaged a referendum in Mindanao to determine the creation of the "Bangsamoro Juridical Entity," an associated state contingent on Constitutional amendments.

The Navy focused on supporting the ground operations against the rebels. But it was in a deplorable state to safeguard the Philippines' rights in the South China Sea and was hard-pressed for funding.

The Navy finally got its break under Aquino, who demonstrated that economic and internal security concerns do not stand in the way. The <u>average annual gross domestic product growth</u> under Ramos, Estrada, Arroyo and Aquino were 3.14, 3.75, 4.78 and 5.87 percent respectively. The Navy did not have the opportunity to ride on this steady economic growth prior to Aquino.

Most importantly, Aquino sought to avoid his predecessors' mistakes; he reopened talks with the MILF, resisting calls for an "all-out war" against the rebels. About half a year after the April 2012 Scarborough Shoal incident, Manila inked the Framework Agreement on the Bangsamoro to break the

peace process deadlock. This led to the <u>Comprehensive</u> <u>Agreement on the Bangsamoro</u> in March 2014, and the draft proposed <u>Bangsamoro Basic Law</u> (BBL) envisages the replacement of the present Autonomous Region in Muslim Mindanao with the new Bangsamoro Autonomous Region.

Political will in pursuing the peace process thereby allowed Aquino to implement serious moves towards realizing the Navy's Strategic Sail Plan 2020. Besides getting "hands-medown" kit via Washington's excess defense articles program, the Navy started to acquire brand-new equipment elsewhere.

Can the Duterte Administration sustain the Navy's momentum in reinvigorating itself? The Philippines is expected to post a GDP growth of 6 percent in 2016, thereby providing potentially positive conditions for the Navy's modernization efforts.

But on the other hand, the Moro peace process if not managed properly could well derail those efforts. It appears that this may be hanging in the balance. There is a greater urge to pass the BBL, not just as a way of stabilizing the country's internal security given the threat of recruitment of Moro youths by extremists, but also to sustain the Navy's pivot towards an external defense focus.

The Navy would certainly benefit from policy continuity under a new administration that is not oblivious to the complexities of sustaining naval capacity-building – one which is a typically long-drawn process that requires not just funding but also persistent political will.

Whether such efforts suffice in deterring Beijing against further South China Sea provocations, or that the Navy will attain the force goals outlined under Strategic Sail Plan 2020 remain to be seen. But maintaining the present road towards a stronger, albeit small, externally-oriented Navy sure beats throwing in the towel without a fight when push comes to shove in the South China Sea.

A longer version of this article was published in *The National Interest* (click <u>here</u>).

NAVAL DEVELOPMENT AND POLICY



SINGAPORE | 31 MAY | NAVAL TECHNOLOGY

Singapore Navy's first littoral mission vessel Independence joins fleet

The Republic of Singapore Navy's (RSN) first littoral mission vessel (LMV), Independence, has joined its fleet at Tuas Naval Base after successful completion of its sea trials.

Full Report

JAPAN-THE PHILIPPINES | 3 MAY | ASIA TIMES

Japan agrees to lease five TC-90 military training aircraft to Philippines

Japan will lease military aircraft to the Philippines in another sign of deepening security ties between the two former foes to counter Beijing's increasing regional influence.

Full Report

TAIWAN | 3 MAY | THE CHINA POST

Taiwan sends military vessel, patrol boats to disputed waters

A military vessel is sailing for waters near a Japan-controlled atoll in the western Pacific, keeping a distance from two patrol boats that departed from Kaohsiung on Sunday to protect Taiwanese fishing boats operating there.

Full Report

NORTH KOREA | 4 MAY | STAR & STRIPES

N. Korean shipyard work paves way for new class of ballistic subs

North Korea has made progress upgrading a shipyard that will allow it to build a new class of ballistic submarines, a Washington-based monitoring group says.

Full Report

GERMANY-INDIA | 6 MAY | THE ECONOMIC TIMES

Germany offers India deal for next generation submarines

In a departure from its traditional approach to business in India, Germany is for the first time offering a military deal under the government-government umbrella for its new-generation conventional submarines that have exceptional underwater endurance.

Full Report

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CHINA-UNITED STATES | 10 MAY | REUTERS

China scrambles fighters as U.S. sails warship near Chinese-claimed reef

China scrambled fighter jets on Tuesday as a U.S. navy ship sailed close to a disputed reef in the South China Sea, a patrol China denounced as an illegal threat to peace which only went to show its defense installations in the area were necessary.

Full Report



INDIA | 11 MAY | THE INDIAN EXPRESS

Navy inducts MIG 29K, decommissions Sea Harriers

After nearly 33-years of active service, the Indian Navy on Wednesday decommissioned Sea Harriers aircraft, while simultaneously inducting (Russian) MIG 29K fighter aircraft on Wednesday.

Full Report

INDIA-THE PHILIPPINES | 12 MAY | DEFENSE NEWS

GRSE to Export Light Frigates to Philippines

In a major win for the Indian warship building industry, India's state-run Garden Reach Shipbuilders & Engineers (GRSE) Ltd has emerged as the winner for Philippine Navy's big-ticket modernization program.

Full Report

TAIWAN | 15 MAY | TAIPEI TIMES

Office confirms warship docking at Itu Aba Island

Military officials yesterday confirmed that Republic of China Navy warships have docked at a recently completed pier on Itu Aba Island (Taiping Island) in the South China Sea, and said the pier would also be able to accommodate the 10,000-tonne Panshih fast combat support ship.

Full Report

SOUTH KOREA | 17 MAY | YONHAP

Navy to roll out 3 upgraded combat submarines by 2024

South Korea began constructing a new batch of its Chang Bogo-class combat submarine with the goal of deploying it by the 2020's, the government said

Tuesday.

Full Report

INDONESIA | 19 MAY | JAKARTA GLOBE

Indonesia to Strengthen Military Bases as Tensions Rise in South China Sea

Indonesia plans to strengthen four of its military bases near the South China Sea, where tensions are likely to heighten further due to territorial and jurisdictional disputes.

Full Report

KOREAS | 27 MAY | YONHAP

(LEAD) N. Korean patrol, fishing vessels cross western sea border

Two North Korean vessels crossed the de facto western maritime border Friday amid heightened tensions in inter-Korean relations, Seoul's military said.

Full Report

CHINA | 27 MAY | PEOPLE'S DAILY ONLINE

PLA navy's drill routine, not targeting any specific locations

"The purpose of our real-combat training is to sharpen the abilities of our soldiers rather than to target a particular region," said Zhou Xuming, Deputy Commander of the South China Sea Fleet in response to media questions about the PLA's recent drill.

Full Report

INDIA-PAKISTAN | 29 MAY | THE TIMES OF INDIA

Indian warship makes contact with Pakistani naval vessels near western coast

Two warships of the Western Fleet were scrambled from Mumbai on Friday after Pakistani naval vessels were detected close to Indian territorial waters.

Full Report

THAILAND-UNITED STATES | 29 MAY | BANGKOK POST

Navy not out of its depths in joint drill with US

The Royal Thai Navy may have failed to find submarines to add to its own fleet last year, but it has proved adept at hunting down an enemy's underwater arsenal

MARITIME SAFETY AND SECURITY



INDO-PACIFIC | 8 MAY | STRAITS TIMES

Multinational exercise to fight terrorism and maritime security threats kicks off in Singapore

The Singapore phase of a multinational exercise kicked off on Sunday (May8) as task forces intercepted and stormed a merchant vessel hijacked by "terrorists" at sea.

Full Report

INDONESIA | 1 MAY | ANTARA

President reiterates importance of sea security in border areas

President Joko Widodo reiterated the importance of sea security in the border areas when announcing the release of 10 Indonesian ship crew members held hostage by Abu Sayyaf militant group in the Philippines so far here on Sunday.

Full Report

PAKISTAN | 3 MAY | BUSINESS RECORDER

Construction of 600 ton maritime patrol vessel for PMSA begins

Federal Minister for Planning, Development and Reforms Prof. Ahsan Iqbal on Tuesday kicked off the construction process of 600 ton Maritime Patrol Vessel for Pakistan Maritime Security Agency (PMSA) by gracing its steel cutting ceremony at Karachi Shipyard and Engineering Works (KSEW).

Full Report

BRUNEI | 5 MAY | BORNEO BULLETIN

Brunei well-prepared to take action against IUU fishing, smuggling

Illegal fishing as well as human and contraband smuggling are main issues that have been encountered by the country's enforcement agencies, Pehin Datu Pekerma Jaya Major General Dato Paduka Seri Mohd Tawih bin Abdullah, the Commander of the Royal Brunei Armed Forces (RBAF), said yesterday.

Full Report

JAPAN-VIETNAM | 5 MAY | REUTERS

Vietnam asks Japan for vessels to strengthen coastguard

Vietnam has asked Japan to provide vessels to strengthen its coastguard, a Japanese official said on Thursday, in the latest sign of growing ties among the states locked in maritime rows with China.

Full Report

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INDONESIA-MALAYSIA-THE PHILIPPINES | 5 MAY | ANTARA

Indonesia agrees to launch joint patrols with Malaysia, Philippines

Indonesia has agreed to hold joint patrols in cooperation with Malaysia and the Philippines in their common maritime border areas.

Full Report

TAIWAN-UNITED STATES | 7 MAY | TAIPEI TIMES

US jets scrambled for fly-by to KMTs Itu Aba plane

Ministry of National Defense officials confirmed that two US F/A-18 jets on Thursday flew near a C-130 plane carrying a group of Chinese Nationalist Party (KMT) officials as they returned from Itu Aba Island (Taiping Island), but said the US jets posed no threat and flew off after a few minutes.

Full Report

INDONESIA-SINGAPORE | 9 MAY | CHANNEL NEWSASIA

Indonesia frees vessel captured by suspected pirates: Navy

Indonesia on Monday (May 9) freed a vessel captured by pirates off the coast of Borneo island, and detained nine suspects involved in the hijacking, a navy spokesman said.

Full Report

INDO-PACIFIC | 10 MAY | YONHAP

S. Korea to host six-nation submarine rescue exercise this month

South Korea will host a joint multinational submarine exercise in its southern seas later in the month, involving the United States, Japan and other Asian Pacific countries, the Navy here said Tuesday.

Full Report



MALAYSIA | 13 MAY | MALAY MAIL ONLINE

MMEA to review SAR ops after rescue team missed survivors by 'minutes'

Malaysian authorities will be reviewing their searchand-rescue (SAR) operations after failing to spot four people adrift at sea for 10 days.

Full Report

INDO-PACIFIC | 19 MAY | THE JAKARTA POST

Asian coast guards share knowledge to secure waters

A two-day meeting involving representatives of coast guards from 20 countries in Asia, including Indonesia, Japan, the Philippines, Malaysia and Vietnam, is seeking to put in place better information sharing and improve capacity building in anticipation of more complex regional maritime issues.

Full Report

CHINA-UNITED STATES | 19 MAY | BBC

Chinese jets intercept US spy plane over South China Sea, Pentagon says

Two Chinese fighters have carried out an "unsafe" intercept of a US military aircraft over the South China Sea, the Pentagon says.

Full Report

INDIA | 20 MAY | THE TIMES OF INDIA

India sends two ships with relief material to cyclone-hit Sri Lanka

India on Friday rushed two Naval ships with relief material to Sri Lanka which has been severely hit by tropical cyclone Roanu.

Full Report

CHINA | 23 MAY | CHINA DAILY

Rescue vessel eyed for the Nansha Islands

China is considering deploying an advanced rescue ship that could carry drones and underwater robots to the Nansha Islands this year to help ships in trouble, including foreign ones.

Full Report

INDONESIA-THE PHILIPPINES | 27 MAY | ANTARA

Indonesia, Philippines launch coordinated border patrols to curb maritime piracy

The navies of Indonesia and the Philippines have launched coordinated border patrols to address maritime piracy and other international crimes in the shared maritime border of the two countries, an Indonesian navy's spokesman stated.

SHIPPING, PORTS, AND THE MARITIME ECONOMY



SINGAPORE-UNITED KINGDOM | 26 MAY | HELLENIC SHIPPING NEWS

Baltic Exchange and Singapore Exchange enter into exclusive discussions

China released its annual ocean development index (ODI) report on Friday at an international forum held in the east port city of Qingdao, Shandong Province. The Baltic Exchange Limited ("Baltic") announces that it has entered into exclusive discussions with Singapore Exchange Limited ("SGX") regarding an offer for the Baltic.

Full Report

KOREA | 3 MAY | SPLASH 24/7

Samsung Heavy ordered to produce restructuring plan

Creditors of South Korea's Samsung Heavy Industries have ordered the shipyard to produce a self-restructuring plan, reports say.

Full Report

GLOBAL | 6 MAY | FISH INFO & SERVICES

ISSF and PNA agree to establish cooperation framework

The International Seafood Sustainability Foundation (ISSF) and the Parties to the Nauru Agreement (PNA) have signed a three-year Memorandum of Understanding (MOU) establishing a mechanism for working more closely together on shared activities to promote the sustainability of tuna fisheries, as well ecologically healthy and productive marine ecosystems, in the Western and Central Pacific Ocean (WCPO).

Full Report

SINGAPORE | 9 MAY | STRAITS TIMES

PSA International unveils S\$20 million incubator programme for start-ups

Port operator PSA International on Monday (May 9) launched its new corporate venture capital arm, PSA unboXed, with an initial fund size of S\$20 million.

Full Report

CHINA-THE NETHERLANDS | 12 MAY | MARITIME EXECUTIVE

Cosco Pacific Buys Stake in Rotterdam Terminal

Cosco Pacific has entered into an agreement with Hutchison Port Holdings for the purchase of a 35 percent stake in the Euromax container terminal at Rotterdam (subject to regulatory approval).

GLOBAL | 13 MAY | JOC

New alliance set to take on 2M, Ocean Alliance

Mitsui O.S.K Lines, NYK Line, "K" Line, Hanjin Shipping, Hapag-Lloyd and Yang Ming Line Friday announced a new alliance covering all east-west trade lines.

Full Report

KOREA | 15 MAY | KBS WORLD RADIO

Top 3 Shipbuilders' Overseas Subsidiaries Have 5.3 Tln Won Worth of Debts

The overseas subsidiaries of the nation's top three shipbuilders were found to have debts of nearly five-point-four trillion won.

Full Report

AUSTRALIA-CHINA | 16 MAY | SPLASH 24/7

Australia welcomes new shipping line

Great Southern Shipping Australia (GSS) and China's Rizhao Port Group are joining forces and will buy five containerships, to be flagged with the Australian International Shipping Register (AISR), to focus on Australia's coastal trades and voyages to Rizhao in northern China's Shandong province.

Full Report

GLOBAL | 23 MAY | THE WALL STREET JOURNAL

Shipping Regulator Calls for Delay in Container-Weight Enforcement

The top global shipping regulator, trying to quiet industry alarms over impending rules that exporters fear will trigger widespread backups at ports, is recommending a three-month grace period for enforcing the ship-safety rule.

Full Report



INDIA-IRAN | 24 MAY | QUARTZ

India's \$500 million port deal with Iran is a masterstroke—and a tough balancing act

On May 22, the Indian prime minister flew down to Tehran and the next day signed 12 agreements, including a deal to develop Iran's Chabahar port.

Full Report

INDONESIA | 25 MAY | SPLASH 24/7

Foreign ownership rules eased at Indonesian ports

Foreign investors can now take majority control of ports in Southeast Asia's largest nation, something many in shipping have been calling for years.

Full Report

INDIA | 26 MAY | HELLENIC SHIPPING NEWS

Termination of shipping contracts by ONGC a blow to 'Make in India' plan

The termination notices issued by Oil and Natural Gas Corp. Ltd to 27 India-registered vessels used in supporting offshore oil exploration mid-way through a three–year contract that began in 2014 is a blow to the 'Make in India' initiative of the Narendra Modi government, local fleet owners said.

Full Report

MYANMAR | 27 MAY | SPLASH 24/7

Myanmar looks to ease port congestion

Myanmar is pushing ahead with a variety of new rulings aimed at easing congestion at its ports.

Full Report

KOREA | 27 MAY | THE KOREA TIMES

HMM's charter fee talks close to agreement

Talks about cutting Hyundai Merchant Marine's (HMM) charter costs are making significant progress, according to creditors and sources close to the matter, Friday.

Full Report

UAE-SOMALILAND | 29 MAY | THE WALL STREET JOURNAL

Dubai's DP World Agrees to Manage Port in Somaliland for 30 Years

Dubai's DP World has agreed to manage the Somaliland port of Berbera in a landmark deal this month that opens a new point of access to the Red Sea and gives the global ports operator an alternative hub to Djibouti in the Horn of Africa.