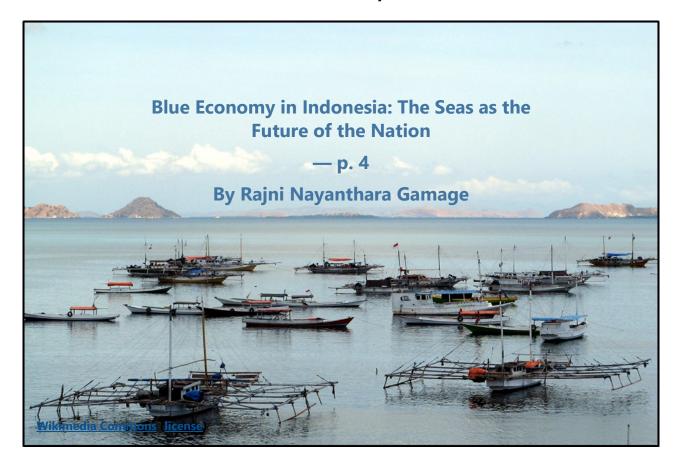




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A Monthly Maritime Bulletin and Perspectives of the Maritime Security Programme at the S. Rajaratnam School of International Studies

## Featured MSP Perspectives:



### **MSP Perspectives:**

Blue Economy in Indonesia: The Seas as the Future of the Nation

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## **Naval Development and Policy:**

French Manufacturer Building Indian Submarines Suffers Major Data Leak — p. 5

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Indonesia to start joint sea patrols with Malaysia, Philippines

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### **MSP PERSPECTIVES**

## Blue Economy in Indonesia: The Seas as the Future of the Nation



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Indonesia's geographical assets make it a natural leader of maritime affairs. As the world's largest archipelagic nation, with 5.8 million km2 of territorial water, more than 90,000 km of coastline, and 17,508 islands, the oceans are a vital sector of Indonesia's statehood, contributing approximately US\$1.2 trillion to the annual national income, and forming an essential part of the country's economy, culture, and identity.

For Indonesia, blue economy is a concept which recognises the vast and untapped potential of the marine and coastal environments, to be utilised in accordance with sustainable development practices, together with an appreciation of the unique social and cultural characteristics of communities connected to the sea.

The evolving discourse on blue economy is backed by clear political commitment. On assuming leadership in 2014, President Joko Widodo announced his vision to make the country a "global maritime fulcrum" between the Indian and Pacific Oceans: "We have to strive to restore Indonesia as a maritime country. The oceans, the seas, the straits and the bays are our future. We have been turning our backs on them for too long. Now is the time to restore all until 'Jalesveva Jayamahe, in our seas we are triumphant'."

Blue economy has been adopted as an integral element of Indonesia's national ocean development as per Article 14 (1) in 'Law No. 32 2014 About the Sea'. To this end, the Ministry of Marine Affairs (MMAF) 2015-2019 Strategic Plan highlights three fundamental objectives:

(i) 'sovereignty', in its fight against Illegal, Unreported and Unregulated (IUU) fishing though measures such as sinking captured IUU fishing vessels and establishment of a task force to prevent and combat IUU fishing. IUU fishing contributes to annual economic losses of up to \$20 billion in Indonesia, with several fishing grounds already heavily depleted. A substantial number of illegal ships have been entering its waters on a daily basis for many years – by one account, some 3,180 foreign fishing vessels annually. Unsustainable fishing practices are also increasingly a business risk – Indonesia's fish exports to the European Union (EU) amount to around \$530 million annually, and are being increasingly subjected to EU sustainability standards;

(ii) 'sustainability' of marine and fisheries resources, primarily through legal measures; and

(iii) 'prosperity', through utilising marine and coastal resources towards improved well-being of targeted beneficiaries and stakeholders, i.e., the fishermen, fish farmers, processors, and exporters.

Implementation of the above objectives was illustrated in the signing of a Memorandum of Understanding between MMAF and the UN Food and Agricultural Organization (FAO) in May 2013 towards developing a blue economy implementation zone in the East Lombok and Central Lombok provinces of West Nusa Tenggara. The project is an integrated development programme focusing on fisheries, aquaculture, marine tourism, salt industry, pearl industry, ecosystem services, and capacity building. Its completion is scheduled for 2018 and is expected to generate \$114.88 million and 77,700 new jobs annually.

At the IHS Jane's Seminar on Maritime Security and Governance in Southeast Asia held in Singapore in August 2016, Deputy Coordinating Minister of Maritime Affairs and Resources of Indonesia, Ambassador Arif Havas Oegroseno further disclosed that Indonesia is in the process of developing its National Ocean Policy, an unprecedented development for both Indonesia and the region. Ambassador Oegroseno further mentioned that the policy was to be launched under Presidential Decree in late 2016, following which Indonesia intends to conduct a socialisation programme in Southeast Asian states, so as to provide the latter with a greater understanding of the direction of its maritime policy, their role in it, and its impact on them.

Indonesia understands the necessity of multilateral cooperation in tackling maritime issues, as its new maritime strategy explicitly "carries in its spirit the strong will to build cooperation and dialogue amongst nations to advance common interests in enhancing the sustainable development of maritime concerns".

However, a considerable challenge it is likely to face stems from the diverse interests and stakes each individual state has in relation to blue economy. Not all Southeast Asian states hold maritime issues among their top national priorities, with some of them being more landlocked than others, and even among the 'maritime' nations, the key interests and stakes vary considerably from one state to the other, be it the shipping sector and maritime infrastructure, fisheries management and seafood exports, or coastal and maritime terrorism. Integrating and coordinating this diversity of national maritime interests under a regional blue economy framework will therefore require robust political leadership by one or more states, along with capacity-building measures, and attitudes of cooperation and compromise.

## **NAVAL DEVELOPMENT AND POLICY**



INDIA | 24 AUGUST | NEW YORK TIMES

### French Manufacturer Building Indian Submarines Suffers Major Data Leak

Detailed plans for stealth submarines built by a French military manufacturer for the Indian navy have been leaked, raising concerns over the company's digital security just months after it signed a multibillion dollar deal to build submarines for Australia.

**Full Report** 

CHINA | 2 AUGUST | ASSOCIATED PRESS

### China holds live-fire navy drills in East China Sea

China's navy has fired dozens of missiles and torpedoes during exercises in the East China Sea that come amid heightened maritime tensions in the region, underscoring Beijing's determination to back up its sovereignty claims with force if needed.

Full Report

TAIWAN | 3 AUGUST | DEFENSE NEWS

### **Taiwan Establishes Submarine Development Center**

Taiwan-based China Shipbuilding Corporation (CSBC) established a submarine development center on Monday to support the construction of six to eight diesel electric submarines under the Indigenous Defense Submarine (IDS) program.

**Full Report** 

VIETNAM | 10 AUGUST | REUTERS

# Exclusive: Vietnam moves new rocket launchers into disputed South China Sea - sources

Vietnam has discreetly fortified several of its islands in the disputed South China Sea with new mobile rocket launchers capable of striking China's runways and military installations across the vital trade route, according to Western officials.

**Full Report** 

JAPAN | 14 AUGUST | STRAITS TIMES

# Japan eyes new land-to-sea missile amid tensions over isles: Report

Japan will develop a new land-to-sea missile as part of plans to beef up its defence of remote southern islands, as tensions with China continue to increase over the disputed territories, a report said yesterday.

JAPAN-SOUTH KOREA-UNITED STATES | 16 AUGUST | NAVAL TECHNOLOGY

# Lockheed to equip US, Japanese and South Korean destroyers with Aegis ballistic missile

Lockheed Martin will equip US, Japanese and South Korean destroyers with Aegis ballistic missile defense systems, under a \$490m contract.

**Full Report** 



PHILIPPINES | 17 AUGUST | UPDATE.PH

# Navy's second Strategic Sealift Vessel now 60 percent complete

The Philippine Navy's (PN) second Strategic Sealift Vessel (SSV) is now more than 60 percent complete.

Full Report

PAKISTAN | 19 AUGUST | EXPRESS TRIBUNE

# PM Nawaz inaugurates Pakistan Navy Warship fleet tanker in Karachi

Prime Minister Nawaz Sharif arrived in Karachi on Friday to inaugurate a navy warship fleet tanker.

**Full Report** 

CHINA | 18 AUGUST | REUTERS

#### China says navy carries out drills in Sea of Japan

China's navy has carried out drills in the Sea of Japan, the Chinese military's official newspaper said on Friday, describing the exercises as routine and done in accordance with international law and practice.

Full Report

SOUTH KOREA | 21 AUGUST | YONHAP

# S. Korean Navy to arm frigates with tactical ship-to-land missiles

South Korea's Navy will arm its latest frigates with tactical missiles that can strike deep into North Korea, a military source said Sunday.

<u>Full Report</u>

NORTH KOREA | 24 AUGUST | REUTERS

# North Korea fires submarine-launched ballistic missile towards Japan

North Korea fired a submarine-launched missile on Wednesday that flew about 500 km (311 miles) towards Japan, a show of improving technological capability for the isolated country that has conducted a series of launches in defiance of UN sanctions.

**Full Report** 

NEW ZEALAND | 24 AUGUST | SCOOP.CO.NZ

#### New ship to deliver enhanced naval capability

Defence Minister Gerry Brownlee says the Government has approved a Ministry of Defence and New Zealand Defence Force recommendation to request tenders for a new naval ship to support littoral operations.

**Full Report** 

CHINA | 24 AUGUST | NIKKEI ASIAN REVIEW

# New Chinese aircraft carrier to hit water by end of year

China's first domestically built aircraft carrier will likely be set afloat by the end of the year, according to multiple Chinese military sources.

**Full Report** 

INDONESIA | 28 AUGUST | ANTARA

## F-16C/D aircraft to strengthen Natuna's air defense

Several F-16C/D Fighting Falcon fighter jets will be stationed at Roesmin Nurjadin Air Base in Pekanbaru, Riau to strengthen the air defense capabilities over the Natuna Islands.

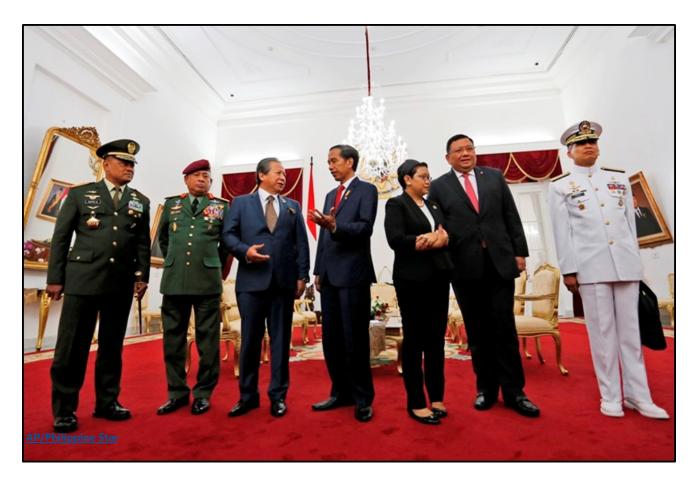
**Full Report** 

UNITED STATES | 30 AUGUST | JAPAN TIMES

# U.S. to deploy new naval Osprey variant in Japan possibly from 2021

The U.S. Navy will replace the V-22 Osprey tilt-rotor transport aircraft in Japan with a newer variant, possibly starting in 2021, according to a U.S. military official.

## **MARITIME SAFETY AND SECURITY**



INDONESIA-MALAYSIA-THE PHILIPPINES | 2 AUGUST | THE JAKARTA POST

#### Indonesia to start joint sea patrols with Malaysia, Philippines

Indonesia, Malaysia, and the Philippines on Monday signed a document on standard operating procedures (SOP) for trilateral maritime cooperation, marking the official start of coordinated joint sea patrols to secure regional waters.

**Full Report** 

INDIA | 2 AUGUST | THE HINDU

#### Fishermen warned not to cross IMBL, EEZ

Fishermen venturing into sea in mechanised boats were warned not to cross Exclusive Economic Zone (EEZ) in Indian waters as well as the International Maritime Boundary Line (IMBL).

**Full Report** 

RUSSIA | 3 AUGUST | CHINA DAILY

#### Coast guard forum in Russia will feature sixcountry drill

Coast guard agencies from six countries in the northern Pacific, including China, will begin a joint maritime drill at Vladivostok, Russia, on Thursday as part of a multilateral forum to foster cooperation among participating states.

**Full Report** 

INDONESIA | 4 AUGUST | STRAITS TIMES

#### Indonesia plans traffic system for busy Sunda Strait

Indonesia wants to split the shipping lanes in the Sunda Strait between Java and Sumatra islands to regulate the direction of traffic and increase safety and security.

Full Report

CHINA | 5 AUGUST | DEFENCEWEB

### China to assist Gulf of Guinea fight piracy

China's military will assist countries in West Africa combat piracy in the Gulf of Guinea and other maritime security threats.

### THAILAND | 6 AUGUST | THE NATION (THAILAND)

# 'Vietnamese fishing crews may be victims of trafficking'

The seizure of four Vietnamese fishing trawlers off Narathiwat this week has resulted in 16 crew members being identified as suspected victims of human trafficking, national police deputy chief General Srivara Rangsibrahman-akul said yesterday.

**Full Report** 

CHINA-JAPAN | 7 AUGUST | INTERNATIONAL BUSINESS TIMES

# Japan protests after huge fleet of Chinese vessels enter disputed waters in East China Sea

Japan has reportedly lodged a new protest with China after spotting six Chinese coastguard ships, along with a fleet of nearly 230 fishing vessels that approached its territory in the disputed waters in East China Sea.

**Full Report** 

CHINA | 13 AUGUST | CHINA DAILY

### China's 'milestone' in deep-sea research

China is capable of exploring depths of 10,000 meters below the surface of the ocean after the Tan Suo Yi Hao, the mother ship of a 4,500-meter manned submersible, returned to her home port of Sanya, Hainan province, on Friday.

Full Report

INDIA | 14 AUGUST | THE TIMES OF INDIA

# Kolkata shipyard develops new vessel for Coast Guard

Garden Reach Shipbuilders and Engineers (GRSE), on Saturday, commenced work on the first in a series of Fast Patrol Vessels (FPVs) it has developed and will be building for the Coast Guard.

Full Report

PHILIPPINES | 18 AUGUST | REUTERS

# Philippines gets first coastguard boat from Japan to boost security

Japan on Thursday delivered to the Philippines the first of 10 coastguard vessels to help it improve its maritime security and law enforcement in the South China Sea where tension has been rising over a territorial dispute with China.

Full Report

CHINA-UNITED STATES | 18 AUGUST | THE DIPLOMAT

# China and US navies conduct joint search and rescue drill

On August 12, the People's Liberation Army Navy (PLAN) and U.S. Navy held a number of naval drills including a Code for Unplanned Encounters at Sea (CUES), and a search-and-rescue (SAR) swimmer training event during a four-day port visit of the

Arleigh-Burke-class guided-missile destroyer USS Benfold to the seaport of Qingdao, located on the Yellow Sea in China's Shandong Province.

Full Report

INDONESIA | 19 AUGUST | ANTARA

#### Indonesia sinks 66 foreign vessels

The Indonesian authorities, on Thursday, simultaneously sank 66 foreign vessels seized for conducting illegal fishing activities in the country's waters over the past year.

**Full Report** 



SINGAPORE | 22 AUGUST | STRAITS TIMES

# **Southeast Asia Cooperation and Training (SEACAT) exercise commences at Singapore**

A maritime security exercise that brings together nine countries including the United States began in Singapore on Monday (Aug 22).

Full Report

MALAYSIA | 24 AUGUST | BORNEO POST

# Sabah, Sarawak waters, Melaka Strait under control — Navy chief

The waters off Sabah and Sarawak, and the Melaka Strait are safe for tourist visits or commercial activities, says Navy chief Tan Sri Ahmad Kamarulzaman Ahmad Badaruddin.

Full Report

INDONESIA | 25 AUGUST | CHANNEL NEWSASIA

# Indonesian Navy finds fuel tanker taken by own crew

Indonesia's navy said it had found a tanker carrying almost US\$400,000 worth of diesel that was taken by its own crew last week due to a commercial dispute.

# SHIPPING, PORTS, AND THE MARITIME ECONOMY



### SINGAPORE | 29 AUGUST | SEATRADE MARITIME NEWS

#### Claims against Swiber rise to \$197m

Claims against bankrupt Singapore offshore player Swiber Holdings have increased to \$197m.

**Full Report** 

### JAPAN | 1 AUGUST | FISH INFO & SERVICES

### Japan to restrict Bluefin tuna capture in the Pacific

Japan intends to limit bluefin tuna captures in the Pacific Ocean in order to favour the recovery of this resource due to the fact that its stock levels have declined to their lowest ever.

**Full Report** 

### CHINA-RUSSIA | 9 AUGUST | SPLASH 24/7

## Russia invites China to invest in its shipyards

Russia has invited China to invest in shipbuilding facilities in the Far East of the country, reports say.

Full Report

### MALAYSIA | 11 AUGUST | WORLD MARITIME NEWS

# Malaysia reveals new tax incentives for shipbuilders

In an effort to attract investments into the Malaysian shipbuilding and ship repairing industry, the country has decided to introduce new incentives for the sectors, according to the Malaysian Ministry of International Trade and Industry.

**Full Report** 

#### SINGAPORE | 12 AUGUST | SLPASH 24/7

### **Pioneer Marine hunting distressed assets**

Singaporean handysize bulk owner Pioneer Marine is gearing up to buy up distressed assets. Despite remaining in the red for the second quarter with a net loss of \$3.7m, the line's founder is adamant that the time is ripe to pick up bargain hulls.

<u>Full Report</u>

BANGLADESH | 14 AUGUST | THE NEW NATION (BANGLADESH)

### Two projects on Blue Economy in Bay starts soon

The government has undertaken two research-based projects on aquaculture and sea grass in the Bay of Bengal as part of exploration of Blue Economy potential, sources said.

**Full Report** 

ARGENTINA-CHINA | 15 AUGUST | FISH INFO & SERVICES

# Fewer obstacles jam Argentine shrimp exports to China

Thanks to the efforts initiated by Argentina, China approved the maximum limit for sulphites (sodium metabisulfite) in shrimp, which will make it possible for shrimp caught in Argentine waters to be exported "without the obstacles faced in the last two years to enter the giant Asian market," the Ministry of Agro Industry of the Nation reported.

**Full Report** 

JAPAN | 16 AUGUST | MARITIME EXECUTIVE

### **Expandable LNG fuel tank developed**

Japan's Kawasaki Heavy Industries (KHI) has developed an expandable LNG-fuel tank for ships that can store up to five times more LNG than earlier designs, reports Nikkei Asian Review.

**Full Report** 

IRAN-RUSSIA | 24 AUGUST | SPLASH 24/7

#### Russian yard seals mega rig order from Iran

Russian shipbuilder Krasnye Barrikady has been won a contract by Iran worth nearly \$1bn to build five offshore drilling rigs for use on Iran's part of the Gulf shelf. Financing for the contract will come from the two countries.

**Full Report** 



SRI LANKA | 25 AUGUST | MARITIME EXECUTIVE

### Sri Lanka moves to limit Chinese port investors

Sri Lanka is seeking a consortium that must include a company from the Indian subcontinent to bid for a

\$400 million contract to build a port terminal, the ports minister said on Thurs.

**Full Report** 

CHINA | 25 AUGUST | MARITIME EXECUTIVE

#### China's Shenzhen Port acts on SO<sub>x</sub> emissions

China's Shenzhen port has expected to adopt requirements for ships at berth requiring to burn marine fuel with sulfur content not exceeding 0.5 percent starting October this year.

**Full Report** 

CHINA | 26 AUGUST | SPLASH 24/7

# Xiamen Shipbuilding inks financing deal with China Development Bank

Xiamen Shipbuilding Industry (XSI) has announced that it has signed a financing agreement with China Development Bank (CDB).

Full Report

CHINA-PAKISTAN | 27 AUGUST | THE NATION (PAKISTAN)

# MoU signed for SECP facilitation centre in Gwadar free zone

The Securities and Exchange Commission of Pakistan (SECP) has signed an MoU with the China Overseas Ports Holding Company Pakistan (Private) Limited (COPHC) to set up a facilitation centre in Gwadar free zone, which will extend assistance to investors to do business in Pakistan.

Full Report

KOREA | 31 AUGUST | MARINE LINK

#### Hanjin Shipping to file for court receivership

South Korea's biggest container shipping line Hanjin Shipping (117930.KS) Co has decided to apply for court receivership after lenders halted all support.

**Full Report** 

INDIA | 31 AUGUST | MARITIME EXECUTIVE

#### India boosts coastal shipping infrastructure

India's Ministry of Shipping has announced new financial assistance for both major and minor ports to help in the development of coastal shipping infrastructure.