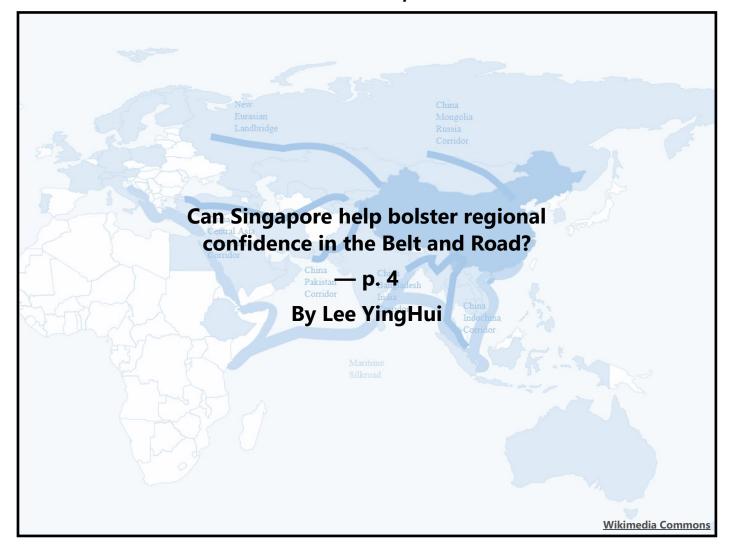


# BROADER HORIZONS

www.rsis.edu.sg January 2019

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

#### Featured MSP Perspectives:



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Can Singapore help bolster regional confidence in the Belt and Road?

### **Naval Development and Policy:**

U.S. navy ship sails in disputed South China Sea amid trade talks with Beijing

### **Maritime Safety and Security:**

Indonesia is the first country to have traffic separation scheme

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Singapore, China to set up international mediator panel for Belt and Road projects

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Broader Horizons — January 2019

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#### **MSP PERSPECTIVES**

#### Can Singapore help bolster regional confidence in the Road and Road?



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On 24th January, the Singapore International Mediation Centre (SIMC) signed a Memorandum of Understanding with the China Council for the Promotion of International Trade (CCPIT)/ China Chamber of International Commerce (CCOIC) Mediation Centre to jointly establish an international mediation panel to deal with disputes arising from projects under China's Belt and Road Initiative (BRI).

The agreement comes at a time when the funding of these Beijing-back projects are coming under increasing scrutiny from regional countries. Albeit Beijing's constant rhetoric of the BRI as a win-win endeavour, the developments at Hambantota in 2017 was a wakeup call for many in the region. The example of Sri Lanka being forced to cede control of the strategic port over to China as a result of its inability to repay the massive loans to Beijing, has prompted re-examination of the funding structures of many BRI projects across the region.

Accusations of the BRI being used as a tool for 'debt diplomacy' have sprouted in many countries even as China forges ahead with the initiative. Expectedly, this has led to a series of pushbacks on Chinese-led projects across the region. In Malaysia, Prime Minister Mahathir has questioned the value of many Chinese-funded infrastructure projects agreed under the previous administration. He has called for the renegotiation of what he called "unfair" infrastructure deals, including the flagship East Coast Rail Link (ECRL) project.

A similar story is being told in Myanmar, where the country has scaled down Chinese investments in the Kyaukpyu deep-sea port over fears of excessive debt burden. A Steering Committee for Implementation of the BRI has also been established in Myanmar and State Counsellor Aung San Suu Kyi vowed thorough scrutiny of BRI projects, to ensure their conformity with Myanmar's national interest. In fact, a recent survey published by the ISEAS-Yusof Ishak Institute found that an overwhelming 70% of respondents across nine Southeast Asian countries felt that their respective governments "should be cautious in negotiating BRI projects to avoid getting into unsustainable financial debts with China."

Cognisant of this new reality, efforts have been made to introduce dispute resolution mechanisms for BRI-related projects. In June 2018, two new China International Commercial Courts (CICC) were established in Xi'an and Shenzhen respectively. Intended as a "one-stop" dispute resolution mechanism for international commercial disputes arising from the BRI, which offers parties a choice between mediation, arbitration and litigation, the CICC is a bold attempt by Beijing to internalise international commercial dispute resolution under the Chinese legal system.

However, the ability of the CICCs to be fair and impartial remains questionable given the provisions under Article

9 of the Chinese Judges Law, which prohibits the sitting of international judges on the CICC.

Beijing continues to face an uphill task in trying to boost regional trust and confidence in the BRI. China's response to this is two-pronged. Within the framework of the CICC, the International Commercial Expert Committee, comprising of international legal experts was setup to provide advisory opinion - an institutional innovation aimed at improving the credibility of the CICCs. While it remains to be seen how much influence the International Commercial Expert Committee can exert, it is nonetheless a first step towards promoting the CICC as the trusted "go-to" platform for resolution of BRI -related disputes.

China is also working with the SIMC to develop an avenue for international commercial dispute resolution outside the Chinese judicial system –perhaps as a way of showing Beijing's commitment towards neutral and impartial settlement of BRI related disputes. Although the city state is not a direct recipient of infrastructure investment, Singapore is an important partner for the BRI in Asia - with approximately 33 percent of Chinese BRI investment to the region passing through Singapore.

Offering Singapore as a venue for settling possible crossborder commercial disputes arising from the BRI can also help improve regional countries' trust and confidence in the BRI, given Singapore's trusted dispute settlement ecosystem. The 2018 International Arbitration Survey done by Queen Mary University of London and White & Case ranked the Singapore International Arbitration Centre (SIAC) as the third most popular arbitral institutions in the world, and the top arbitration institution in Asia.

Singapore has also been actively strengthening its mediation framework over the years, and played a key role in drafting the new United Nations Treaty on Mediation. The new treaty, which will be named after Singapore, is due for signing in Singapore later this year. In anticipation of more infrastructure-related disputes arising in the region, Singapore has also launched an Infrastructure Dispute-Management Protocol in October last year.

For China, signing a MOU with the SIMC can be seen as a logical first step. In China, as well as many parts of Asia, mediation is often considered a less antagonistic and preferred way to resolve disagreements in comparison to other methods of dispute resolution. As Singapore's Senior Minister of State for Law Edwin Tong said during Address at Opening the China-Singapore International Commercial Dispute Resolution Conference: "Singapore and China can work together to co-develop a new way of settling cross-border commercial disputes that better reflects the Asian values and is also tailored to Asia's needs."

### **NAVAL DEVELOPMENT AND POLICY**



UNITED STATES | 7 JANUARY | REUTERS

#### U.S. navy ship sails in disputed South China Sea amid trade talks with Beijing

A U.S. guided-missile destroyer sailed near the disputed Paracel Islands in the South China Sea claimed by China as U.S. officials meet their counterparts in Beijing for talks during a truce in a bitter trade war.

Full Report

CHINA | 2 JANUARY | XINHUA

### China launches comprehensive reef research center on Nansha Islands

The Chinese Academy of Sciences (CAS) has launched the Integrated Research Center for Reefs and Islands Sciences on Meiji Reef, Nansha Islands, in the South China Sea, according to the CAS.

**Full Report** 

SOUTH KOREA | 4 JANUARY | YONHAP

#### Navy conducts first maritime drills of new year

South Korea's Navy on Friday conducted this year's first maritime drills, reiterating its commitment to maintaining a robust readiness posture despite ongoing peace efforts with North Korea.

Full Report

INDIA-INDONESIA | 8 JANUARY | HINDUSTAN TIMES

India exploring sale of BrahMos cruise missile to Indonesia

India is exploring the possibility of selling the BrahMos cruise missile to Indonesia, and a team from the Indo-Russian joint venture that makes the weapon system visited a state-run shipyard in Surabaya last year to assess the fitting of the missile on Indonesian warships, people familiar with developments said.

Full Report

RUSSIA | 8 JANUARY | TASS

### New Kalibr-M cruise missile with range of over 4,500 km in development in Russia - source

New Kalibr-M cruise missile with a range of over 4,500 km is currently under development in Russia for the Russian Navy, a source in the military-industrial complex told TASS on Tuesday.

**Full Report** 

THE PHILIPPINES | 9 JANUARY | PNA

### PH Navy to receive 2 anti-sub helis, 4 AAVs in March

The Philippine Navy (PN) is expected to receive in Continue on page 6 March its first two antisubmarine helicopters and four out of eight amphibious assault vehicles it has ordered for the Marine Corps.

**Full Report** 

CHINA | 9 JANUARY | SCMP

### Chinese navy's new 'compact' radar will allow it to keep watch over an area the size of India

Chinese military scientists have made significant headway in upgrading China's radar technology, and are developing an advanced "compact size" radar for the navy's carrier fleet that will allow it to maintain constant surveillance over an area the size of India.

Full Report

CHINA | 9 JANUARY | ASSOCIATED PRESS

# China officer says island fortification driven by threats

China may further fortify man-made islands in the South China Sea depending on threats faced by the outposts, a Chinese naval officer said Wednesday.

Full Report

INDIA-JAPAN | 9 JANUARY | THE PRINT

### Rafale controversy stops Japan from pushing sale of amphibious aircraft for Indian Navy

The controversy over the Rafale deal raging in India has unnerved the Japan government, which has decided to adopt a "cautious approach" over the sale of its ShinMaywa amphibious aircraft to New Delhi for now.

**Full Report** 

CHINA | 10 JANUARY | CHINA DAILY

#### Additional overseas PLA bases 'possible'

China will consider setting up new overseas support bases for its military if there are such needs, a senior People's Liberation Army strategist said on Wednesday.

**Full Report** 

THE PHILIPPINES | 11 JANUARY | PNA

### Arrival of 2 frigates to ease PH Navy patrol missions

The Philippine Navy (PN) will be in a more comfortable position to carry out its patrol mandate once the two missile-armed frigates, currently being constructed by South Korean shipbuilder Hyundai Heavy Industries (HHI), gets delivered in two years' time.

Full Report

RUSSIA | 12 JANUARY | TASS

#### Russian Navy to put over 30 Poseidon strategic

#### underwater drones on combat duty - source

The Russian Navy plans to place more than 30 Poseidon strategic nuclear-capable underwater drones on combat duty, a source in the domestic defense industry told TASS on Saturday.

Full Report

UNITED STATES | 12 JANUARY | USNI NEWS

## Mark VI Patrol Boats Sail 500 Nautical Miles in Record Transit

Two Navy Mark VI Patrol Boats recently completed a 500 nautical mile transit from Guam, showing Navy planners in the region that the boats could reach nearby island groups to conduct maritime security patrols and disaster relief efforts.

Full Report

SRI LANKA-UNITED STATES | 25 JANUARY | COLOMBO GAZETTE

### Sri Lanka insists no move by US to establish base in Trinco



The Government today insisted that the US has not sought to establish a military base in Trincomalee.

Full Report

INDONESIA | 25 JANUARY | THE JAKARTA POST

# Dirgantara Indonesia delivers five helicopters, one plane to Navy

Aerospace company PT Dirgantara Indonesia (PT DI) delivered on Thursday five antisubmarine helicopters and one CN235-220 maritime patrol aircraft to the Indonesian Navy based on a contract that was signed in 2013 between PT DI and the Defense Ministry.

**Full Report** 

INDIA | 31 JANUARY | THE PRINT

### Defence ministry approves indigenous construction of 6 submarines

The Defence Ministry Thursday approved indigenous construction of six submarines for the Indian Navy at a cost of over Rs 40,000 crore, officials said.

**Full Report** 

### **MARITIME SAFETY AND SECURITY**



### INDONESIA | 25 JANUARY | ANTARA

#### Indonesia is the first country to have traffic separation scheme

Indonesia has made new history in the international maritime arena as an archipelagic state in the world that has a sea flow separation scheme or "Traffic Separation Scheme" (TSS).

Full Report

CHINA-JAPAN | 3 JANUARY | THE MAINICHI

# Japan protests over China's unapproved maritime survey: source

Japan has lodged a protest with China over an unapproved maritime survey around Okinotori Island, a remote atoll in the western Pacific that Tokyo claims as a base point for its 200-mile exclusive economic zone, a government source said Thursday.

Full Report

INDONESIA-MALAYSIA | 5 JANUARY | MALAY MAIL

### Indonesia wants Malaysia to look into abducted fishermen

The Republic of Indonesia consulate in Tawau is concerned about the fate of three Indonesians who are still hostages of kidnappers from southern Philippines while working as fishermen in the Eastern Sabah Security Zone (ESSZone) last year.

**Full Report** 

JAPAN-SOUTH KOREA | 7 JANUARY | THE ASAHI

**SHIMBUN** 

# S. Korea warship didn't warn MSDF aircraft about low flight

The South Korean military acknowledged that its destroyer did not communicate with a Japanese patrol plane that was "flying low" in a "threatening" manner in an incident that continues to strain relations.

Full Report

CHINA-MARSHALL ISLANDS | 8 JANUARY | RADIO NZ

### Questions over Chinese fishing vessel aground in Marshalls

Questions are being asked about what a Chineseflagged fish carrier, which ran aground last week, was doing in the Marshall Islands.

**Full Report** 

MALAYSIA | 9 JANUARY | MALAY MAIL

### Malaysia swaps out buoy-laying ship in Johor port limits after bilateral meet

Continue on page 8

After over a month securing nearby ships, Malaysia Marine Department (MMD) vessel MV Polaris has left the contested waters off Johor following the completion of bilateral talks between Wisma Putra and its Singaporean counterpart.

**Full Report** 

MALAYSIA | 12 JANUARY | THE STAR ONLINE

#### Sabah security boosted with 12-hour sea patrols

Threats from cross-border criminals, including from kidnap-for-ransom groups make it necessary to extend Sabah's dusk to dawn sea curfew by another two weeks from Jan 11 to 26, said state Police Commissioner Datuk Omar Mammah.

Full Report

UNITED STATES | 14 JANUARY | NAVY TIMES

# A warship doomed by 'confusion, indecision, and ultimately panic' on the bridge

As the seconds ticked toward 1:30 a.m. on June 17, 2017, Lt. j.g. Sarah Coppock darted onto the Fitzgerald's bridge wing.

Full Report

JAPAN-SOUTH KOREA | 16 JANUARY | YONHAP

# S. Korea proposes to Japan mutual expert verification of data over radar spat

South Korea has proposed to Japan a mutual expert verification of military radar data to address a highly charged dispute over its use of a ship-based radar for humanitarian search operations last month, a military official in Seoul said Wednesday.

Full Report

MALAYSIA | 17 JANUARY | THE SUN DAILY

#### Hijackers steal two barges Tanjung Kupang

Two barges worth about RM45 million were stolen from the Tanjung Kupang port here by hijackers, who were allegedly aided by the crew of the vessels.

**Full Report** 

CHINA-UNITED STATES | 18 JANUARY | ASSOCIATED PRESS

### Top US Navy officer urges China to avoid confrontations

The U.S. Navy's top officer said he urged China to follow international rules at sea to avoid confrontations and insisted Friday that ships should be able to pass safely though disputed areas of the South China Sea and Taiwan Strait.

Full Report

MALAYSIA-VIETNAM | 19 JANUARY | THE STAR ONLINE

### Noose tightens on Vietnamese fishing boats in Sabah

Sabah is tightening the noose on locally licensed Vietnamese deep-sea fishing boats amid concerns that most of the catch fails to land in the state.

Full Report

JAPAN-SOUTH KOREA | 21 JANUARY | THE MAINICHI

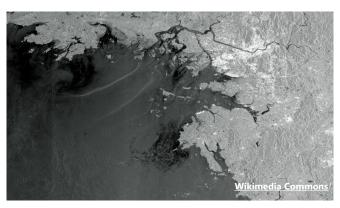
### Japan releases 'final' statement on S. Korea radar lock-on incident

The Defense Ministry on Jan. 21 released a 'final' statement on a December incident in which a South Korean destroyer allegedly targeted a Japanese patrol aircraft with fire-control radar in the Sea of Japan, effectively terminating its discussions with Seoul on the matter.

Full Report

SOUTH KOREA | 23 JANUARY | YONHAP

### Marine pollution and oil spill accidents on the rise: Coast Guard



The number of marine pollution and oil spill accidents in South Korea increased last year, the Korea Coast Guard (KCG) said Wednesday.

Full Report

JAPAN-SOUTH KOREA | 23 JANUARY | YONHAP

# (3rd LD) S. Korea's military condemns Japanese warplane's 'provocative' close-range flight

South Korea's military on Wednesday strongly condemned a Japanese warplane's low-altitude flight close to a South Korean warship, calling it a "provocative act."

Full Report

MYANMAR | 28 JANUARY | THE IRRAWADDY

### **Gov't Plans To Set Up Coast Guard under Civilian Control**

The Myanmar government is planning to establish a coast guard under the control of the civilian government, not the military, according to Union Minister for Transport and Communications U Thant Sin Maung.

Full Report

### SHIPPING, PORTS, AND THE MARITIME ECONOMY



SINGAPORE-CHINA | 24 JANUARY | CHANNEL NEWS ASIA

### Singapore, China to set up international mediator panel for Belt and Road projects

Singapore and China have inked an agreement to set up an international panel of mediators, to better handle disputes that may arise from projects under the multi-billion dollar Belt and Road Initiative (BRI).

**Full Report** 

GLOBAL | 4 JANUARY | SPLASH 24/7

# Paris and Tokyo MoUs start issuing sulphur cap warning letters

The maritime authorities of the Paris and the Tokyo Memoranda of Understanding (MoU) on Port State Control have started issuing letters of warning from the start of this year on the sulphur content of marine fuels during inspections.

**Full Report** 

SOUTH KOREA | 6 JANUARY | THE KOREAD HERALD

# Korea regains top spot in shipbuilding, but challenges remain in offshore drilling

South Korean shipbuilders regained the top spot in the global market share of shipbuilding orders last year, beating their Chinese counterparts for the first time in seven years due mainly to a surge in demand for liquefied natural gas carriers.

**Full Report** 

ASEAN-CHINA | 8 JANUARY | THE STRAITS TIMES

### More provinces join western China-Asean trade corridor

Four more Chinese provinces have officially joined the new land and sea trade corridor that connects western China to South-east Asia, bringing the total number to eight.

**Full Report** 

JAPAN-ANGOLA | 9 JANUARY | NIKKEI ASIAN REVIEW

# Japan edges in on Belt and Road with \$643m for Angolan port

Trading company Toyota Tsusho and the Japan Bank for International Cooperation are joining forces on a port project in Angola that will be the largest of its kind for Japanese businesses.

Full Report

Continue on page 10

#### THAILAND | 10 JANUARY | BANGKOK POST

#### Fisheries cheer withdrawal of yellow card

Thai fishery operators are feeling relief after the EU on Tuesday de-listed Thailand from yellow card status in recognition of the country's progress in tackling illegal, unreported and unregulated (IUU).

Full Report

#### EUROPEAN UNION | 14 JANUARY | PORT STRATEGY

#### **Industry "oppose" Access Point Interface**

Maritime organisations have urged the European Parliament's Committee on Transport and Tourism not to create an EU Level Access Point Interface following its adoption of the Clune Report on the draft Regulation for a European Maritime Single Window Environment.

**Full Report** 

#### GLOBAL | 16 JANUARY | SPLASH 24/7

# Landmark shipping automation study suggests seafarer numbers will double by 2040

For all the fear crew have about their jobs being lost to automation, a new 170-page report from the International Transport Workers' Federation (ITF) and the World Maritime University (WMU) suggests that the global seafarer workforce will actually double in size by 2040.

**Full Report** 

#### JAPAN | 21 JANUARY | THE MAINICHI

# Japan to propose obligatory framework to tackle plastic marine pollution at G-20 Osaka

Prime Minister Shinzo Abe will propose and seek agreement on an obligatory action framework to tackle plastic marine pollution at the June summit of the Group of 20 major countries and regions to be held in Osaka, western Japan, according to people familiar with the decision.

Full Report

#### SINGAPORE | 22 JANURAY | THE STRAITS TIMES

# Singapore joins established maritime nations in offering war risk insurance for ships

Singapore now offers war risk insurance for ships, joining the likes of established maritime nations such as Greece, Japan, Norway and Britain.

Full Report

### CHINA-DJIBOUTI | 23 JANUARY | SEATRADE MARITIME NEWS

## China Merchants Port to increase investment in Djibouti joint venture

Hong Kong-based China Merchants Port Holdings announced that the company will increase capital to its

joint venture Djibouti Asset Company for its development of commercial and infrastructure projects at the port of Djibouti.



**Full Report** 

#### UNITED KINGDOM | 24 JANUARY | MARINE LINK

#### **UK Launches Maritime 2050 Strategy**

Britain's marine industry launched of Maritime 2050, the UK Government's first ever long-term strategy to support and grow the sector.

**Full Report** 

#### THE PHILIPPINES | 25 JANUARY | CNBC

# A bankruptcy in the Philippines sparks concerns of Chinese firms taking over a former US naval base

In the Philippines, a major corporate bankruptcy has sparked national security concerns about whether a port near the disputed South China Sea could fall under Beijing's control.

**Full Report** 

### THE NETHERLANDS | 28 JANUARY | PORT TECHNOLOGY

# Rotterdam Launches Worldwide Port Innovation Programme

The Port of Rotterdam has announced it has joined an initiative with other major port authorities around the world to ensure ports remain dynamic, competitive and at the forefront of social and technological innovation.

Full Report