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Indian Ocean Watch

A Monthly Newsletter on the Indian Ocean Region



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This Newsletter tracks developments in the following countries of the Indian Ocean region

Australia, Bangladesh, Comoros, India, Indonesia, Iran, Kenya, Madagascar, Malaysia, Mauritius, Mozambique, Oman, Seychelles, Singapore, South Africa, Sri Lanka, Tanzania, Thailand, United Arab Emirates, Yemen

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EDITOR'S NOTE

Several significant developments in the maritime security domain took place in the first month of the year 2015. Reports suggest that Australia plans to aid in developing search-and-rescue capabilities in the Indian Ocean. The Indian Home Ministry handed over new maritime security gadget to the Navy to check the identity cards of the residents of coastal areas. India also invited Japan to participate in the Indian Navy's project with its Soryu-class submarine. Indonesia inducted indigenously built assault vessel in its Army. Iran and Oman held joint naval drills. Taking into account their good bilateral relations, Malaysia reacted in a balanced way to Indonesia's sinking of its fishing vessel recently. Reports suggested that Mozambique will soon receive its first Ocean Eagle 43 patrol vessel from France. Seychelles' forces and the EU Navfor conducted anti-piracy exercise off the coast of Seychelles. International Maritime Bureau reported that Asia experienced 75 per cent of the world's pirate attacks in 2014.

On the economic cooperation front, India and Oman agreed to sign a MoU on tourism. Kenya signed a US\$270 million loan deal with Japan for port expansion. Malaysia waived visa-fee for Chinese tourists instead of granting exemption from visa. Tanzania decided not to join the single visa system in East Africa.

On the environmental concerns/disaster risk management front, Australia called for expression of interest to recover MH370 debris in case it is found. Bangladesh promoted its solar home systems programme aiming toward becoming world's first 'solar nation'. South African National Defence Force came forward to help flood hit Mozambique. The Global Environment Fund and UNDP decided to fund the setting up of an early warning system in Mauritius before the next cyclone season.

Hope the readers will find this issue useful.

Ruchita Beri

Editor

MARITIME SECURITY

Australia to aid in developing SAR capabilities in the Indian Ocean

The Australian Maritime Safety Authority (AMSA) will spend US\$2.1 million over the duration of the next three years to boost search-and-rescue (SAR) preparedness in Mauritius, Sri Lanka and the Maldives. In recent years, maritime traffic has outstripped the ability of the region's small island states to provide ample SAR coverage in the Indian Ocean. AMSA will provide training in SAR systems to help these countries provide a more effective response to maritime and aviation emergencies within their SAR areas. Also envisaged are joint exercises and workshops, an exchange scheme allowing staff from the Indian Ocean states to gain experience in Australia, and development and installation of SAR systems customised to the needs of individual countries.¹

Fake maritime certificates allegedly issued by Bangladesh authorities discovered, investigations on

The state-run department of shipping and other organs of Bangladesh have been under the scrutiny of the International Maritime Organisation (IMO) and the International Labor Organisation (ILO) for quite some time. This has dipped the country's image in the global maritime industry. The chances of Bangladesh seamen's getting a job have dipped in the global market due to the issuance of fake competency certificate (COC), certificate of registration (COR), continuous discharge certificate (CDC) and non-recognised identity document (ID) in the country. In a recent incident, the captain and chief engineer of a Canadian flag ship were

found carrying fake certificates allegedly issued by Bangladesh authorities. The International Maritime Organization (IMO) report on December 4, 2014 had also mentioned about 12 fake Bangladeshi certificates. The Iranian shipping administration reported the discovery of about 10 fake competency certificates with proper seal and signature of Bangladesh maritime authority on December 30, 2014. The matter has been brought to the notice of the Bangladesh Government and the investigations are under progress.²

Home Ministry hands over new maritime security gadget to Indian Navy

New smart identity-checking scanners called the Resident Identity Card (RIC) will be used by the Indian maritime security agencies to check identity cards of the residents of coastal areas. The gadgets were handed over by India's Home Minister Rajnath Singh to the Chiefs of Navy and the Coast Guard. The scheme of preparing RICs for residents of coastal areas was implemented by the Registrar General and Census Commissioner to strengthen coastal security measures in nine states and four Union Territories which have a sea-line running along their borders. These cards which have been manufactured by Indian technology firms – Ms ITI Limited and Ms Electronics Corporation of India Limited (ECIL), will be used by coastal security agencies to authenticate an individual's demographic and biometric identity without using internet services. The RIC is tamper proof and will be self-destructed if opened in the wrong manner. The Union government is also preparing the National Population Registrar (NPR) in 3,331 coastal villages under the said scheme.³

¹ "Australia helps build SAR capacity in Indian Ocean", *IHS Maritime 360*, January 28, 2015, at <http://www.ihsmaritime360.com/article/16460/australia-helps-build-sar-capacity-in-indian-ocean>

² "Bangladesh: National image takes hit as fake maritime certificate issue surfaces", *Hellenic Shipping News*, January 8, 2015, at <http://www.hellenicshippingnews.com/bangladesh-national-image-takes-hit-as-fake-maritime-certificate-issue-surfaces/>

³ "Rajnath hands over new maritime security gadget to Navy, CG", *Free Press Journal*, January 14, 2015, at <http://www.freepressjournal.in/rajnath-hands-over-new-maritime-security-gadget-to-navy-cg/>

India deepens strategic ties with US in Asia-Pacific

The visit from US President Barack Obama to India culminated in both the countries releasing a Joint Strategic Vision statement for Asia-Pacific and the Indian Ocean. The statement mentions their concerns on maritime disputes in the South China Sea. This statement has inadvertently irked China as it is involved in many maritime disputes, especially claiming territories in South China Sea. US and India said, "We call on all parties to avoid the threat or use of force and pursue resolution of territorial and maritime disputes through all peaceful means, in accordance with universally recognised principles of international law, including the United Nations Convention on the Law of the Sea." India has also been concerned with China's growing presence in the Indian Ocean, especially Sri Lanka's decision to allow the docking of Chinese submarines at its port. In this context, the India-US statement highlights the close strategic ties between the two countries, a relationship that can balance the growing strategic presence of China in the Indian Ocean region.⁴

India asks Japan for submarines to boost defence at sea

India is concerned with China's growing presence in the Indian Ocean Region. Therefore, it has invited Japan to compete in the Indian Navy's (IN's) long-delayed US\$8.1 billion Project 75I (India) requirement for six diesel-electric submarines with land attack and air independent propulsion (AIP) capabilities. India is keen for Japan's participation in its domestic materiel manufacturing programmes as it is seeking technology to boost its defence industrial base. Official sources said that India had recently forwarded a proposal to Tokyo asking it to consider participating in the Project

75I tender with its 4,200-tonne Soryu-class submarine. India is also in advanced negotiations with Japan to acquire 12 ShinMaywa US-2i amphibious search-and-rescue aircraft for around US\$1.65 billion; a deal that is likely to be concluded in early 2016. This move is also welcomed by the United States which shares the same concerns with India regarding China. It, therefore, is advocating increased defence cooperation between Japan, India and Australia in the Indian Ocean Region.⁵

Indian Coast Guard takes steps to monitor small fishing boats along its Bengal coast

The Indian Coast Guard says that fishing boats less than 20 metres in length continue to pose a security threat along the West Bengal and Odisha coasts. The movement of such smaller boats are difficult to be regulated as they are not fitted with Automatic Identification Systems (AIS) as the large boats. The Coast Guard personnel physically check and verify the fishermen, although nearly 98 per cent of fishermen in Bengal have already been issued biometric identity cards. Out of about 9,000 fishing boats in West Bengal, India, 5,500 are mechanised. The authorities are thinking of fitting these small boats with transponders. As a part of the Phase-I of the Coastal Surveillance System (CSS) and setting up of a chain of 46 radars, one radar at Sagar Island has already been established.⁶

Indigenously built assault vessel inducted in the Indonesian Army

A locally manufactured fast assault craft named as Kapal Motor Cepat (KMC) Komando has been inducted in a subunit of the North Maluku regional command of the Indonesian Army (Tentara Nasional Indonesia Angkatan Darat, or TNI-AD). The craft is a product of a collaboration among TNI-AD, local

⁴ "US-India Joint Strategic Vision for the Asia-Pacific may irk China", *NDTV*, January 25, 2015, <http://www.ndtv.com/india-news/us-india-joint-strategic-vision-for-the-asia-pacific-may-irk-china-733509>

⁵ "India asks Japan to offer Soryu subs for Project 75I requirement", *IHS Janes 360*, January 29, 2015, <http://www.janes.com/article/48448/india-asks-japan-to-offer-soryu-subs-for-project-75i-requirement>

⁶ "Small fishing boats pose a threat along Bengal coast", *The Times of India*, January 31, 2015, at <http://timesofindia.indiatimes.com/india/Small-fishing-boats-pose-a-threat-along-Bengal-coast/articleshow/46079124.cms>

shipbuilder PT Tesco Indomaritim, and the Surabaya Institute of Technology. This has a speed of 45 kt and was conceived as a lightly armed platform to support swift amphibious landings on beaches and river banks. It can carry 31 embarked personnel and requires three-member crew to be handled. The TNI-AD claimed that the 12.7 mm machine gun, the laser-finder and other components have been sourced indigenously. The vessel will be deployed to support maritime security tasks, like counter-smuggling and illegal fishing. The TNI-AD has plans for inducting eight more of these vessels into its various regional commands by the end of 2015.⁷

Labuan Malaysian Maritime Enforcement Agency arrests four Indonesian fishermen

Four Indonesian fishermen have been arrested for illegal fishing off the Pulau Tiga Waters by the Labuan Malaysian Maritime Enforcement Agency (MMEA). A MMEA team has seized their vessel for further investigations. Che Adnan Md Isa, Maritime Captain and the Labuan MMEA enforcement chief, said that the fishermen, aged between 22 and 30, were picked up during 'Ops Sejahtera'. They were found violating the Fisheries Act 1985 by fishing in waters less than three nautical miles from the shoreline. They were the employees of a Malaysian shipping company and had also violated the Merchant Shipping Ordinance 1960, for operating without a licence.⁸

Indonesia detonates and sinks Malaysian flagged illegal fishing vessel

Indonesia has taken a firm decision to completely eradicate illegal, unreported and unregulated (IUU) fishing activities in its territorial waters as it neither

respects national boundaries nor international attempts to manage fishing in the high seas. This is a serious global problem that causes unfair competition and hinders sustainable fisheries. Susi Pudjiastuti, Indonesia's Marine Affairs and Fisheries Minister, said that Indonesia's decision to detonate and sink trespassing foreign fishing vessels in its waters have been appreciated by several countries. The North Sumatra provincial police detonated and sank a Malaysian flagged fishing vessel with the hull number PKFA 7738 in Belawan's waters on January 8, 2015. The action was a follow up to the instruction by the Indonesian Government.⁹

Indonesia to induct four new vessels to steps up fight against illegal fishing

To fight illegal fishing in the country's waters, Indonesia will have four new surveillance vessels at its disposal by the end of 2015. An official with the Marine Affairs and Fisheries Ministry said that the ministry has decided to add four 60-meter vessels made by the Indonesian Fisheries Inspection Vessel System [SK IPI]. The plan is a part of the government's push to eradicate illegal fishing and other activities threatening the country's maritime resources. The four vessels will cost about US\$18.8 million.¹⁰

Iranian Navy boosts its presence in the Red Sea

Reports from Egypt have confirmed that Iran has interests moving into the Red Sea region which is the strategic central region in the Middle East, especially for gaining a foothold in the heart of the Arab security zone. The strategic shipping region is at the crossing of continents and connects, through the Suez Canal, between the Mediterranean Sea and the Indian Ocean – gateway to Africa, the Gulf and Asia. Concerns have

⁷ "Indonesian Army inducts indigenously built assault craft", *IHS Jane's 360*, January 5, 2015, at <http://www.janes.com/article/47599/indonesian-army-inducts-indigenously-built-assault-craft>

⁸ "Labuan MMEA detains four Indonesian fishermen off PulauTiga", *Borneo Post Online*, January 7, 2015, at <http://www.theborneopost.com/2015/01/07/labuan-mmea-detains-four-indonesian-fishermen-off-pulau-tiga/>

⁹ "Indonesia committed towards eradicating illegal fishing", *ANTARANEWS.com*, January 10, 2015, at <http://www.antaranews.com/en/news/97299/indonesia-committed-towards-eradicating-illegal-fishing>

¹⁰ "Indonesia steps up fight against illegal fishing with 4 new ships", *Jakarta Globe*, January 12, 2015, at <http://thejakartaglobe.beritasatu.com/news/indonesia-steps-fight-illegal-fishing-4-new-ships/>

been raised by Saudi Arabia and Egypt in the light of the recent Yemeni crisis. They are suspicious of the Iranian movements in the Strait of Bab-el-Mandeb, linking the Red Sea at its southern edge with the Indian Ocean. Iran's support for the Houthi Shi'ites, who have taken control of many power centres in Yemen is especially worrisome for nearby Egypt and neighbouring Saudi Arabia, both of whom see it as part of another Iranian attempt to take control of the Red Sea region. Egypt and Saudi Arabia feel that the entering of Iranian warships and oil ships in the Red Sea region is a way by which Iran is testing their response to its increased presence. Saudi Arabia has seriously taken the warnings given by Egypt on the likelihood of security threats by Iran in the future and has therefore increased its military cooperation with it to balance out Iran's growing presence in the region.¹¹

Joint Naval drills held by Iran and Oman

Between April to May 2015 Iran and Oman will be cooperating in holding joint naval exercise. An Iranian official emphasised that this exercise is a prerequisite for the fulfilment of interests of the neighbouring states and guarantees sustainable security especially in the strategic Strait of Hormuz and the Indian Ocean where both Iran and Oman have a dominant presence. Rear Admiral Habibollah Sayyari of Iran said that the world should be aware that "regional countries including the Islamic Republic of Iran and Oman are capable of ensuring security in the region and thus, there is no need for the presence of foreign countries in the region." This has not been the first time that Iran has shown openness to military cooperation. In the past, it has had joint naval exercises with other countries like China and Russia as well.¹²

Malaysia's balanced reaction to Indonesia after sinking of its fishing vessel

Acknowledging that the Indonesia's sinking of a Malaysian flagged ship by North Sumatra Water Police on January 8, 2015, was in accordance to the republic's domestic law, Malaysia's Ministry of Foreign Affairs hopes that the Indonesian authorities would act in the utmost good faith while dealing with illegal fishing activities in its waters. The ministry also mentioned that the relevant authorities of Malaysia, in particular the Department of Fisheries, keep the Malaysian fishing communities aware about the laws to ensure their fishing activities are conducted within Malaysian waters in accordance with the rules and regulations. Taking into account the good bilateral relations between the two countries, the Malaysian authorities stand ready to discuss such matters with the relevant Indonesian authorities.¹³

Malaysia looking to support its only submarine base with an air defence system

Malaysia's Defence Minister Hishammuddin Tun Hussein said that Malaysia is looking to support its submarine base with an air defence system. His country is considering strengthening submarine base defences against a backdrop of rising regional maritime tensions. The RMN Kota Kinabalu naval base at Teluk Sepanggar would be equipped with an air defence system as a pre-emptive measure to potential threats. Operational since 2006, it is currently home to the Royal Malaysian Navy's (RMN's) two Scorpene-class diesel-electric attack submarines – KD *Tunku Abdul Rahman* and KD *Tun Razak*. This base is Malaysia's only dedicated submarine basing facility. The minister,

¹¹ "Iran making naval moves into Red Sea", *The Tower*, January 20, 2015, <http://www.thetower.org/1519-iran-making-naval-moves-into-red-sea/>

¹² "Iran, Oman hold joint Naval drills", *Tasnim News*, January 20, 2015, <http://www.tasnimnews.com/English/Home/Single/626989>

¹³ "Sinking of Malaysian fishing vessel in accordance to Indonesia's law", *malaysiandigest.com*, January 10, 2015, at <http://www.malaysiandigest.com/news/536826-sinking-of-malaysian-fishing-vessel-in-accordance-to-indonesia-s-law.html>

however, did not tell any specifics of the system being considered and said that any decision will depend on the armed forces' requirements and government funding.¹⁴

Mozambique to receive its first Ocean Eagle 43 patrol vessel from France

The first of three Ocean Eagle 43 offshore patrol vessels (OPVs) for Mozambique was launched by the French shipyard CMN on January 22, 2015. Sea trials of the vessels, ahead of its delivery, are scheduled to start soon. The other two hulls are still under construction. This patrol vessel contains an innovative trimaran design ideal for shallow waters. The Mozambican Government, on September 5, 2015, had signed a Euro 200 million deal with Constructions Mecaniques de Normandie (CMN) to build the three such vessels, three HSI 32 interceptors and 24 fishing vessels over a two year period. The new vessels will provide a major boost to Mozambique's navy in the light of the recent offshore oil and natural gas finds. The country's navy currently comprises a single Conejera class patrol craft (Pebane), a couple of Namacurra class harbour patrol boats and around ten small patrol craft, including Rigid-Hulled Inflatable Boats (RHIBs).¹⁵

Seychelles' forces and the EU Navfor conduct anti-piracy exercise

Seychelles' defence forces, the EU Naval Force Somalia and the EU's civilian maritime security capacity building Mission, EUCAP Nestor, carried out an anti-piracy exercise together on January 8, 2015. The exercise had a twofold purpose: firstly, cooperation between the

Coast Guard, Air Force, the Police and EU Naval Force (EU Navfor) Atalanta; and secondly, to test procedures and routines about handling of evidence and pirates at sea. EUCAP Nestor, in the past two years, has provided basic and advanced training to the Seychelles Coast Guard, the Police and Air Force.¹⁶

Two Indian flagged vessels intercepted by the Seychelles Coast Guard

The Seychelles Coast Guard (SCG) detained two Indian flagged fishing vessels (Rehoboth and Jersh-Max) on suspicion of fishing illegally in the Seychelles Exclusive Economic Zone (EEZ). The two vessels were diverted to Port Victoria. The two suspected foreign fishing vessels and their 20 crew members (10 on each vessel) have been handed over to the Seychelles Fishing Authority and Seychelles Police for further investigations.¹⁷

Chinese Colombo port project concerns Sri Lanka

Security and sovereignty concerns were raised by the Sri Lankan government regarding the ongoing Chinese project that is underway in Colombo port. This project was started under the previous regime ousted in the January elections but currently the Sri Lanka Ports Authority (SLPA) and the investment promotion minister Kabir Hashim say that they are concerned about the lack of transparency in the project and plans by the former regime to give freehold land to China. He said that the project will be "reviewed completely". The project involves reclaiming 233 hectares on the southern side of the new Colombo South Harbour with a 3.25

¹⁴ "Malaysia mulls air defences for submarine base near South China Sea", *IHS Jane's 360*, January 27, 2015, at <http://www.janes.com/article/48345/malaysia-mulls-air-defences-for-submarine-base-near-south-china-sea>

¹⁵ "CMN launches Mozambique's first Ocean Eagle patrol vessel", *Defence Web*, January 23, 2015, at http://www.defencweb.co.za/index.php?option=com_content&view=article&id=37672:cmn-launches-mozambiques-first-ocean-eagle-patrol-vessel&catid=51:Sea&Itemid=106

¹⁶ "Seychelles and EU Navfor carry out anti-piracy exercise", *Defence Web*, January 8, 2015, at http://www.defencweb.co.za/index.php?option=com_content&view=article&id=37466:seychelles-and-eu-navfor-carry-out-anti-piracy-exercise&catid=108:maritime-security

¹⁷ "Two foreign vessels caught on suspicion of illegal fishing", *Seychelles Nation*, January 31, 2015, at <http://www.nation.sc/article.html?id=244367>

km long breakwater. China Harbour Engineering Company Ltd (CHEC), part of China Communication Construction Co, began work on the project in September 2014 during a visit by Chinese President Xi Jinping.¹⁸

Asia experienced 75 per cent of the world's pirate attacks in 2014

According to the latest report released by the International Maritime Bureau (IMB), Asia accounted for around 75 per cent of the world's maritime piracy

and robbery incidents in 2014. It highlights that out of the total 245 actual and attempted acts of piracy, 183 occurred in the Asian waters. The report specifically highlighted that attacks against small tankers off the Southeast Asian coast had caused a rise in global ship hijackings. The sub-region saw 141 piracy incidents in 2014 while it had seen 126 such incidents in 2013, with the vast majority of them having been carried out in Indonesian waters. Pirates have attacked small tankers in the region specifically looking for marine diesel and gas oil to steal.¹⁹

¹⁸ "Sri Lanka raises security concerns over Chinese project", *IHS Maritime 360*, January 16, 2015, <http://www.ihsmaritime360.com/article/16194/sri-lanka-raises-security-concerns-over-chinese-project>

¹⁹ "75% of world piracy attacks were in Asia in 2014", *The Diplomat*, January 15, 2015, at <http://thediplomat.com/2015/01/75-of-world-piracy-attacks-were-in-asia-in-2014/>

ECONOMIC COOPERATION

Bangladesh's tourism industry may lose Tk 1 billion due to political violence

The BNP-sponsored blockade is estimated to cost Bangladesh tourism industry about Tk 1 billion in losses in the current season. Bangladesh tourism operators have urged the political parties not to call programmes that hurt the industry. Although it is difficult to calculate losses, tourism operators put it between Tk 0.8 billion and Tk 1 billion. Tourism season in Bangladesh runs between September and March but about 50 per cent of the tourist reservations had already been cancelled by the month of January 2015 due to political violence. The political crisis might have a long-term impact on the country's tourism industry if the problem is not addressed soon.²⁰

India and Oman agree an MOU on tourism

The Union Cabinet of the Indian government has given a go ahead to the Memorandum of Understanding (MoU) for strengthening cooperation in the field of tourism, between the Ministry of Tourism, Government of India and the Ministry of Tourism, Government of the Sultanate of Oman. The MOU has many objectives like expansion of bilateral cooperation in the tourism sector; exchange of information and data related to tourism; encouraging cooperation between tourism stakeholders including hotels and tour operators; establishing exchange programme for cooperation in Human Resource Development etc. In recent years, Oman has emerged

as an important tourism source market for India in the West Asian region. During 2013, India received 62,252 visitors from Oman. Similarly, India has emerged as one of the important source market for Oman in the field of tourism.²¹

Indonesia targets 10 million foreign tourists spending US\$12 billion in the country

As Indonesia has increased facilities to accommodate and attract more travelers to the country, the Tourism Ministry is targeting a 13 per cent increase in revenue from foreign tourists in the year 2015. The country, with the revenue from tourists, is expecting to get some relief in managing its current account deficit continuing for the past 12 financial quarters. The ministry has projected an arrival of about 10 million foreign tourists spending US\$12.05 billion in Indonesia in 2015. This figure is up from 9.3 million tourists and US\$10.7 billion spent by them in the year 2014. The ministry also sees US\$500 million of investment in the tourism industry this year. Indonesia has targeted for receiving 20 million foreign tourists by 2019.²²

Kenya to get US\$270million loan from Japan for port Expansion

To help expand capacity at the Mombasa port, the main trade gateway to East Africa, Kenya signed a US\$270 million loan deal with Japan on January 16, 2015. The port is crucial for Uganda, Burundi, Rwanda, South Sudan, Democratic Republic of Congo and Somalia

²⁰ "Bangladesh's tourism industry could lose Tk 1 billion to blockade, fear operators", *bdnews24.com*, January 15, 2015, at <http://bdnews24.com/business/2015/01/15/bangladeshs-tourism-industry-could-lose-tk-1-billion-to-blockade-fear-operators>

²¹ "Signing of MoU between India and Oman in the field of tourism", *Business Standard*, January 29, 2015, at http://www.business-standard.com/article/news-cm/signing-of-mou-between-india-and-oman-in-the-field-of-tourism-115012900134_1.html

²² "Foreign tourists seen spending \$12b in Indonesia in 2015", *Jakarta Globe*, January 9, 2015, at <http://thejakartaglobe.beritasatu.com/business/foreign-tourists-seen-spending-12b-indonesia-2015/>

to import their fuel, consumer goods and other imports. It handles the regional tea and coffee exports as well. Container traffic at the port reached about one million twenty foot equivalent units (TEUs) in 2014 and it is expected to increase to 1.3 million TEUs in 2015. Therefore, the loan would support the purchase of cargo handling equipment, finance a new container terminal and aid construction of another terminal already being built. This capacity enhancement at the Mombasa port would help other regional countries as well.²³

Malaysia waives visa-fee for Chinese tourists instead of granting exemption from visa

Malaysia has waived off visa-fee for the Chinese travelers to the country. Prime Minister Najib Razak, on January 20, 2015, announced that free visas would be given to travellers, including those from China. Zeng Cailing, the general manager of Century Holiday, lamented that the waiver is not enough as only the visa fee of Yuan 80 has been exempted while the processing fee of Yuan 120 yuan still applies. Chinese tourist operators have been disappointed with the Malaysian decision as they were hoping for a visa exemption rather than just a fee-waiver. The Malaysian Association of Tour and Travel Agents (Matta) has also said that Malaysia could lose about 540,000 Chinese tourists for this decision.²⁴

Mauritius observes 7 per cent growth in tourists from India

With an increase of nearly seven per cent in comparison to 2013, Mauritius received 61,200 Indian tourists in 2014. The figures were shared by the Mauritius Tourist

Promotion Authority (MTPA). The rise in numbers is attributed to a focused strategy by operators to create awareness and highlight Mauritius as a round the year tourist destination. Initiatives like a multi-city road show, trade and media familiarisation trips and agents seminars in the year 2014 helped a lot. The MTPA India has shown its consistent presence in travel and wedding shows, golf and polo events in India. It is looking forward to an even better 2015.²⁵

Oman signs aquaculture projects to increase production

The Ministry of Housing, Oman has signed three agreements which will help boost aquaculture production to 7,330 tonnes in coming years. The production was 353 tonnes in 2013. The Ministry of Housing signed an agreement with Arabian Marine Development Company to set up an Omani Rial 29 million integrated shrimp and sea cucumber farm and a township in Qurun in RasJibsh, South Sharqiyah spread over 500 hectares. The second agreement was signed with Al Jazeera Investment Company to set up an abalone and grouper fish farming project. The project worth Omani Rial 34.5 million will be spread over 30 hectares. Also, Knowledge Modern Technologies Company received a technical licence which allows it to start production of grouper fish in the Sur Industrial Area in South Sharqiyah at a cost of Omani Rial 2.5 million.²⁶

South Africa-India trade to be US\$20 billion by 2018

South Africa seeks to expand its economic ties with India. Hence, South Africa's Minister for International

²³ "Japan lends Kenya \$270m for port expansion", *The Maritime Executive*, January 16, 2015, at <http://www.maritime-executive.com/article/japan-lends-kenya-270m-for-port-expansion>

²⁴ Chinese tourists want visa-free travel, not free visas", *FMT News*, January 23, 2015, at <http://www.freemalaysiatoday.com/category/nation/2015/01/23/chinese-tourists-want-visa-free-travel-not-free-visas/>

²⁵ "Mauritius witnesses 7% growth in tourist traffic from India", *Express Travel World*, January 16, 2015, at <http://www.financialexpress.com/article/travel/latest-updates-travel/mauritius-witnesses-7-growth-in-tourist-traffic-from-india/30778/>

²⁶ "Oman aquaculture projects to boost production to 7,330 tonnes", *The Fish Site*, January 26, 2015, at <http://www.thefishsite.com/fishnews/24989/oman-aquaculture-projects-to-boost-aquaculture-production/>

Relations and Cooperation Maite Nkoana-Mashabane expects a growth in trade from US\$15 billion to US\$20 billion between the two countries by the year 2018. Maite hopes that India and South Africa will strengthen their ties and also cooperation with each other in other multilateral fora like the BRICS. She also affirmed that like India, South Africa also feels the need for reforms in the United Nations Security Council and other Bretton Woods institutions so that they reflect the current world realities. She also suggested that India should join forces on maritime trade, saying nations like India and Mauritius in the Indian Ocean can work together to grow “ocean economy.” She further said that South Africa is also looking forward to the establishment of BRICS Bank, which will have an Indian as its first President and will be based in China. The bank, which will begin with an initial size of US\$100 billion, will fund infrastructure and development projects in BRICS and other emerging and developing economies.²⁷

Cape Town ranks second in the National Geographic world's best beaches

In the latest National Geographic list of top ten beaches in the world, Cape Town has been ranked as the world's second-best beach city by the international magazine. The magazine places Cape Town's beaches behind Barcelona's “eight white-sand beaches that rim its Mediterranean coastline.” Some other beaches in the list are Hawaii's Honolulu, Nice in France, Miami in the US, Rio de Janeiro in Brazil, Santa Monica in California, Sydney in Australia, and Israel's Tel Aviv. Cape Town is located on a peninsula that divides the icy Atlantic from the warmer Indian Ocean, putting some 20 beaches

within striking distance.²⁸

Tanzania decides not to join the single visa system in East Africa

Tanzania has decided not to be a part of the single tourist visa initiative in East Africa. The single visa system is currently in place in Rwanda, Uganda and Kenya. Tanzania argues that the system, if it joins, would eventually work against it in terms of demand for cross-border tourism. It feels that those looking for smooth tour packages across borders may opt Tanzania out of their plan. Tanzania is not feeling confident enough that it will gain from the arrangement. It is sort of stuck with few choices and the flight cost factor between Dar-es-Salaam and other countries of the region.²⁹

Thai fish exports to the EU to be impacted by the termination of GSP

The European Union will be terminating Generalised Scheme of Preferences (GSP) on January 1, 2015, for Thai exports. As a result, over 6,200 Thai products will be withdrawn from getting tariff privileges in the EU market. This will have impact on exports of fish especially Tuna and Shrimp which are exported by Thailand to the EU. The duty on frozen shrimp exports to the EU will triple from 4.2 per cent to 12 per cent. As for tuna, the duty will increase from 18.5 per cent to 22 per cent. Meanwhile, Thai Trade Office in Brussels is seeking for remedial measures, such as asking EU importers to propose to their governments a temporary waiver of tariffs for agricultural and industrial products, or a quota for imports. The long term solution lies in

²⁷ “Pravasi Bharatiya Divas: South Africa-India trade to reach \$20 billion by 2018, says Maite Nkoana-Mashabane”, *Economic Times*, January 8, 2015, at http://articles.economictimes.indiatimes.com/2015-01-08/news/57838274_1_brics-bank-indian-ocean-pravasi-bharatiya-divas

²⁸ “Cape Town has world's second best beaches”, *SouthAfrica.info*, January 29, 2015, at <http://www.southafrica.info/travel/cities/beaches-291015.htm#.VTzRuvAprdE>

²⁹ “Africa tourism: United we stand, divided we fall”, *eTN*, January 3, 2015, at <http://www.eturbonews.com/54168/africa-tourism-united-we-stand-divided-we-fall>

³⁰ “Thailand hopes to resume talks with EU on FTA”, *FIS*, January 6, 2015, at <http://www.fis.com/fis/worldnews/worldnews.asp?monthyear=&day=6&id=73663&l=e&special=0&ndb=0>

the resumption of the EU and Thailand Free Trade Agreement talks which were suspended in 2014.³⁰

Sri Lanka appreciates Indonesian maritime policy, wants more economic cooperation

Anoja Wijeyesekera, Sri Lanka's Ambassador to Indonesia said that the sea territory is very important for both Indonesia and Sri Lanka. He further said that the Sri Lankan government supports Indonesia's maritime policy of vigilantly securing its sea territory and developing favorable economic conditions. He also said that improvement of connectivity between the two countries and construction of more seaports are very important as they are strategically located at points that are crossed by ships carrying commodities. He said that the countries are hopeful and positive towards more maritime cooperation in future, including on the issue of human trafficking. Sri Lanka aims to increase trade with Indonesia to a total of US\$1 billion within the next few years. The trade between the countries was

about US\$500 million in the year 2014. Overall, the Sri Lanka Government want a flourishing multidimensional relationship with Indonesia.³¹

Sri Lanka, India enhance business relations

Sri Lankan Prime Minister Ranil Wickremesinghe has proposed the idea of building a bridge across the Palk Strait, linking his country to India. With the political scenario changed at the domestic front and an end to the LTTE, this bridge will boost trade and business between the two neighbouring countries. There is an acknowledged realisation that the growth, development and strategic security of the two nations are inter-linked. It is a win-win situation for all stakeholders, in political, economic and geo-strategic terms, particularly in the context of India's openness to the Indian Ocean becoming a 'zone of peace'. However, certain issues with regard to the fisherman problem, especially concerning Tamil Nadu, is something both the countries need to resolve.³²

³¹ "Sri Lanka supports Indonesia's maritime policy reported", *ANTARANEWS.com*, January 13, 2015, at <http://www.antaranews.com/en/news/97339/sri-lanka-supports-indonesias-maritime-policy-reported>

³² "A bridge across the Palk Strait", *Business Line*, January 27, 2015, at <http://www.thehindubusinessline.com/opinion/a-bridge-across-the-palk-strait/article6827094.ece>

ENVIRONMENTAL CONCERNS/ DISASTER RISK MANAGEMENT

Australia calls for expression of interest to recover MH370 debris

The Australian Transport Safety Bureau (ATSB) has called for expressions of interest for the recovery operation in the event that Flight MH370 Boeing 777 is detected. As yet, no sign of the aircraft, which went missing on March 8, 2014, has been found. However, the ATSB announced that it is still on track to cover the priority search area by May 2015 and needs to prepare for recovery should MH370 be located. The search was suspended on January 18, 2015, due to severe weather. Tropical Cyclone Bansi, east-northeast of Mauritius generated up to 6 meters waves in the southern Indian Ocean search zone. This prohibited all three search vessels, Fugro Equator, Fugro Discovery and GO Phoenix from deploying the towfish equipment safely, ATSB reported.³³

Bangladesh aims to become world's first 'solar nation'

Bangladesh Government is currently working towards providing solar home systems (SHS) to every household in the country by 2021. Such systems power about 15 million out-of-grid Bangladeshi homes under a government program currently. The World Bank and some other financial partners are providing the funds for the programme. By 2017, the Bangladesh Government wants to generate 220 megawatts of electricity for about six million homes. According to the government-owned Infrastructure Development Company Limited (IDCOL), about 10 per cent of Bangladeshi households have already installed SHS by the end of 2014. Some 50,000-60,000 household install SHS in the country every month. With such a rate of

success in solar installations, Bangladesh aims to become the first 'solar nation' in the world.³⁴

Indonesian indigenous communities plan to save forests through eco-tourism projects

To slow down the advance of logging operations and palm oil plantations, the Indonesian indigenous communities launched a project to encourage foreign tourism in ancestral forests. The project would ease poverty, reduce greenhouse gas emissions and diversify from traditional forest-based incomes such as weaving. It also aims to draw tourists to areas of Indonesia where indigenous communities are working to preserve their land and are helping to prevent the loss of forests. This has been inspired by similar efforts in the Amazon region of Latin America. This initiative, also known as eco-tourism project, has been endorsed by the Indonesian Environment and Forestry Minister Siti Nurbaya. It is expected that the initiative would draw thousands of tourists and the communities would seek ways to limit the extra stresses on fragile ecosystems from the coming visitors.³⁵

Local people protest against cement plant in Rembang, Indonesia

The Indonesian Government permitted a cement plant to be set up by Semen Indonesia, largest cement conglomerate in the country, in Rembang. The plan of the plant is being protested by the residents in the area. They have been agitated with the spread of the information about the establishment of the 900-hectare plant. Residents, especially women, are furious as they fear that the functioning of the plant will deteriorate the water quality in their area. The factory and the quarry

³³ "Australia seeks MH370 recovery tenders", *IHS Maritime 360*, January 23, 2015, at <http://www.ihsmaritime360.com/article/16305/australia-seeks-mh370-recovery-tenders>

³⁴ "Bangladesh looks to establish world's 'first solar nation'", *teleSUR*, January 25, 2015, at <http://www.telesur.tv.net/english/news/Bangladesh-Looks-to-Establish-Worlds-First-Solar-Nation-20150125-0012.html>

³⁵ "Indonesian indigenous groups look to tourists to protect forests", *Reuters*, January 9, 2015, at <http://www.reuters.com/article/2015/01/09/us-environment-indonesia-idUSKBN0KI1QZ20150109>

lie in Watuputih National Spring area, a protected region of karsts and underground aquifers that provide water to about 600,000 people. However, despite its protected status, the area is being rezoned for mining in recent years. The move has significantly diminished the area's water-catchment capacity. A large-scale mine here could reduce crop yields and cause flooding.³⁶

Mauritius to get an early warning system before the next cyclone season

Before the next cyclonic season starts in Mauritius from November 15, 2015, the Global Environment Fund and the UNDP will jointly fund to set an early warning system for incoming storm surge, swells and tsunamis in the country. The decision was taken during a meeting between Mr Raj Dayal, Minister of Environment, Sustainable Development, Disaster and Beach Management and two experts Dr Deepak Vatvani and Dr Jodo R de Lima Rego from Dutch company Stichting Deltares. Minister Dayal also wanted the Dutch Government to become a stakeholder in the international support for Mauritius to prevent its coastal erosion as around one quarter of the population of Mauritius lives on the coasts.³⁷

South African National Defence Force comes forward to help flood hit Mozambique

The South African National Defence Force (SANDF) has come forward for flood relief mission in Mozambique. The country needs help as tens of thousands of people have been displaced because of torrential rains there. The waters have risen to the double of the flooding threshold. The SANDF, under

Operation Loapi, has delivered more than 17 tonnes of aid in various forms, including medical supplies, tents and food to the neighbouring country. During the first week of the Operation, the SANDF had sent about 80 airmen, medics and navy swimmers on the ground in Mozambique's Zambezia province. The South Africans also came for relief on the ground in northern part of the country following an airborne reconnaissance.³⁸

Illegal deforestation ruin Tanzania's coastal forest

Native forests in coastal Tanzania's Rufiji district are being ruined due to a surge in illegal logging despite efforts by authorities to curb deforestation. For feeding lucrative construction market and furniture industries, both at home and abroad, hundreds of tonnes of trees are being smuggled out of the district each month. Indigenous tree species, notably Mninga, and Mpodo are on the verge of extinction in the area as their wood is in high demand. The timber smugglers are very well armed and organised who cannot be confronted and challenged by the local forests guards. Nurdeen Babu, Rufiji district commissioner and Chairman, Forest Harvesting Committee, told that illegal harvesting of logs is threatening the survival of natural forests and the government has taken measures to deal with the problem. Security in the area has been increased and anyone found involved in illegal activities in the forest will be arrested and charged. According to the UN Food and Agriculture Organisation 2010 Global Forests Resources Assessment, Tanzania has 33 million hectares of forests and woodland, but it has been losing more than 400,000 hectares of forest a year for the last two decades.³⁹

³⁶ "Cement plant sparks environmental debate in Indonesia", *Rappler*, January 27, 2015, at <http://www.rappler.com/world/regions/asia-pacific/indonesia/82065-semen-indonesia-plant-rembang-central-java-debate>

³⁷ "Mauritius: Early warning system for storm surge set up before next cyclonic season", *Prevention Web*, January 21, 2015, at <http://www.preventionweb.net/english/professional/news/v.php?id=42017>

³⁸ "SANDF continues to provide flood relief to Mozambique", *Defence Web*, January 22, 2015, at http://www.defenceweb.co.za/index.php?option=com_content&view=article&id=37649:sandf-continues-to-provide-flood-relief-to-mozambique&catid=111:sa-defence&Itemid=242

³⁹ "Armed illegal loggers devastate Tanzania's coastal forest", *Defence Web*, January 14, 2015, at http://www.defenceweb.co.za/index.php?option=com_content&view=article&id=37530:armed-illegal-loggers-devastate-tanzanias-coastal-forest&catid=3:Civil%20Security&Itemid=113

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The Institute for Defence Studies and Analyses (IDSA) is a non-partisan, autonomous body dedicated to objective research and policy relevant studies on all aspects of defence and security. Its mission is to promote national and international security through the generation and dissemination of knowledge on defence and security-related issues.

The Africa, Latin America, Caribbean & UN Centre of IDSA focuses on understanding developments in the African and the Indian Ocean Region. The Centre also endeavours to analyse India's engagement with Latin American countries, particularly in forums such as the IBSA and BRICS. In addition, the Centre carries out research on the broader theme of India and the United Nations.

This newsletter, compiled by the IDSA covers the recent developments in the fields of maritime security, economic cooperation and environmental concerns/ disaster risk management in the various countries of the Indian Ocean region.



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