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Indian Ocean Watch

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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

In the month of May, several significant developments took place in the maritime security domain. Australia launched the indigenously build air warfare destroyer HMAS Hobart on May 26. Indian Navy ships participated in the bilateral 'SIMBEX' naval exercises with Singapore. India also sent invitation to the People's Liberation Army (PLA) warships for an international fleet review to be held in February 2016. The navies of Indonesia, Malaysia and Singapore are in talks to extend joint patrols to the lower reaches of South China Sea. Following its newly introduced rigid policy against illegal fishing, Indonesia blew 41 foreign fishing vessels, including one from China, inviting criticism from various quarters. According to the US officials, the Iranian Navy had fired at a Singapore-flagged tanker; a sign of rising tension in the Persian Gulf. In a positive development on the other hand, Iran and Oman agreed to complete demarcation of their maritime borders soon. Japan and Malaysia have agreed to upgrade their bilateral ties to a strategic partnership level. In the southern Indian Ocean, South Africa has plans to acquire new patrol vessels. Similarly, Tanzanian President has commissioned into two new warships supplied by China.

On the economic cooperation front, Australia and Thailand launched the New Colombo Plan for development of international friendship. India's OVL and its partners have awarded contracts to start developing the LNG terminal in Mozambique. Indonesia announced plans for maritime 'Technoparks' and also officially opened the Lamong Bay Terminal for operations. President Rouhani of Iran described the Chabahar Port development as means of opening new chapter in Iran-India ties. Airtel, an Indian firm, inaugurated its first national optic fibre ring in Seychelles. South Africa ranked first in the tourism competitiveness index among African countries. It also commissioned an investigation to look at the potential impact of shale gas. China announced that its investments in Tanzania crossed over US\$4 billion mark. Also, in an interesting report, the Thai government denied the veracity of the signing of the Kra Isthmus canal agreement with China. If materialised, the agreement will have a great impact on sea transport in Southeast Asia.

In the environmental concern/disaster risk management domain, Indonesia pushed for an increased use of biofuel in its domestic market. The country also extended the partial forest clearing ban in force since 2011. It was also reported that around 10,000 elephants were poached in Mozambique within just five years; mining has polluted rivers dangerously in Manica, central Mozambique and cholera claimed 31 lives in Tanzania.

Hope the reader will find the issue useful.

Editor

MARITIME SECURITY

Australia launches indigenous Air Warfare Destroyer

Australia's first advanced Air Warfare Destroyer (AWD), HMAS Hobart was launched in Adelaide on May 26, 2015. The AWD is one of the three destroyers being built in South Australia. The AWD weighs about 7,000 tonnes with a height of 55 metre. The launch celebrated the transition of the naval ship from hardstand to water. HMAS Hobart will be spending the next twelve months in port while combat systems equipment are being installed on the ship ahead of testing. The launch was overshadowed by the Australian government's audit of the ship, which was already behind schedule for two and a half years. The federal government has refused to release documents due to commercial confidence. South Australia Premier Jay Weatherill used the launch of the destroyer to push for his state's capabilities in building the next generation of submarines. Australia's Defence Minister Kevin Andrews said he was determined to get the submarine project back on track and ensure the future of the local shipbuilding industry.¹

Indian ships in Singapore for joint 'SIMBEX' naval exercises

Navy's Eastern Fleet under the command of Flag Officer Commanding Eastern Fleet Rear Admiral Ajendra Bhadur Singh is on an operational deployment to southern Indian Ocean and South China Sea. As part of the deployment, INS Satpura, India's indigenously built guided missile stealth frigate, commanded by Captain Hari Krishnan and

INS Kamorta, the latest and indigenous Anti-Submarine Warfare Corvette, commanded by Commander Manoj Kumar Jha, reached Singapore. These ships are participating in bilateral Naval exercise SIMBEX-15 with Singapore Navy from May 23-26, 2015. Operational interaction between Indian Navy (IN) and the Republic of Singapore Navy (RSN) commenced with ASW training exercises in 1994, which has grown steadily over the past 20 years. The interaction was formalised as an annual bilateral exercise 'SIMBEX' in 1999. The port visit of IN Ships to Singapore also coincided with the commemoration of 50 years of diplomatic relations between India and Singapore and has strengthened the bilateral ties and enhanced inter-operability between navies of the two friendly nations.²

India watching China's naval endeavours

Indian Navy chief Admiral Robin Dhowan said India was "minutely monitoring" the activities of the Chinese navy, two days after Beijing released a white paper on its defence setting out a bigger role for its maritime forces far away from its shores. In its white paper on defence released on May 26th, China revealed plans to expand its maritime reach at a time when Beijing's aggressive posturing in the South China Sea has shifted global attention to the Asia-Pacific region. China seeks to control the resource-rich waters where it is locked in intractable disputes with several countries that claim parts of the sea. Dhowan, in this context, commented that, "There would be aspects related to defensive operations, surveillance and all kinds of operations which spread out during the period of peace and during hostilities.

¹ "Australia launches first air warfare destroyer built in South Australia", *International Business Times*, May 26, 2015, at <http://www.ibtimes.com.au/australia-launches-first-air-warfare-destroyer-built-south-australia-1449740>

² "Indian ships in Singapore for Joint Naval Exercises", *The New Indian Express*, May 24, 2015, http://www.newindianexpress.com/states/andhra_pradesh/Indian-Ships-in-Singapore-for-Joint-Naval-Exercises/2015/05/24/article2830436.ece

So it is natural for any navy to have its plans which covers the entire spectrum of operations.”³

PLA warships invited by India for international fleet review in early 2016

India has invited Chinese warships for an International Fleet Review (IFR) in early 2016, even though it remains concerned about the expanding footprint of the People's Liberation Army (Navy) in the Indian Ocean Region (IOR). India is trying to forge deep maritime links with eastern Africa, Seychelles, Mauritius, Maldives, Sri Lanka, Bangladesh, Myanmar and Cambodia, among others in the IOR, over the last decade. It is also building bridges of maritime cooperation with China to ensure that the ongoing competition does not turn into conflict in the IOR. Towards this end, Chinese warships will take part in the mega IFR to be held at Visakhapatnam from February 5 to 8, 2016. Almost 100 warships from over 50 countries are slated to participate in the IFR, the second such review to be held by India after the one in Mumbai in 2001, which will be attended by both India's President Pranab Mukherjee and the Prime Minister Narendra Modi.⁴

Indonesia, Malaysia, Singapore are in talks to extend joint patrols to the lower reaches of South China Sea

The navies of littoral states Indonesia, Malaysia, and Singapore are in talks to extend joint patrols to the lower reaches of South China Sea in a bid to curb piracy. Rear Admiral Lai Chung Han, chief of the Republic of Singapore Navy (RSN), highlighted some of the challenges in conducting these joint patrols such as competing territorial claims in these waters.

“There is concern with the proximity to the contested claims of South China Sea, and we certainly don't want those issues to be conflated. We are very focused on dealing with the piracy situation and none of us really benefit from letting this situation fester,” said Rear Admiral Lai. Colonel Steven Tan, commander of the RSN's Maritime Awareness Group Maritime Security Task Force, had mentioned in a recent piracy and sea robbery conference in Singapore on April 23, 2015 that details for extending joint patrol beyond the Strait of Malacca were “being work out” to respond to the rising numbers of sea-robbery and piracy-related incidents. In the meantime, the Singapore-based anti-piracy watch dog Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP) welcomed the joint patrol as the organisation has been advocating coordinated patrols in that area to combat piracy resurgence.⁵

Indonesia blows 41 foreign fishing vessels, including one from China

Indonesia blew up 41 vessels suspected of illegal fishing, including a Chinese vessel, on May 20, 2015. China expressed “serious concern” over the blowing up of a Chinese fishing vessel seized six years ago, the first such incident under President Joko Widodo. China pressed Indonesia for more details about the destruction of the Chinese boat. Other countries with boats destroyed include Thailand and Vietnam. Since taking office in October 2014, Widodo's administration has blown up dozens of foreign vessels as part of his get-tough campaign against illegal fishing. But no Chinese vessels were destroyed prior to this week due to delays from legal challenges,

³ “India monitoring China's naval activities, says admiral Dhowan”, *Hindustan Times*, May 29, 2015, <http://www.hindustantimes.com/india-news/india-minutely-monitoring-china-s-naval-activity-says-admiral-dhowan/article1-1352466.aspx>

⁴ “India invites PLA warships for fleet review”, *The Times of India*, May 29, 2015, at <http://timesofindia.indiatimes.com/india/India-invites-PLA-warships-for-fleet-review/articleshow/47464786.cms>

⁵ “Indonesia, Malaysia, Singapore discuss joint patrols”, *IHS Maritime 360*, May 12, 2015, at <http://www.ihsmaritime360.com/article/17841/indonesia-malaysia-singapore-discuss-joint-patrols>

an Indonesian government official said. The Chinese boat was seized by Indonesia in 2009. It was not immediately clear what had happened to the crew when it was seized. The blowing up of the boats comes amid increased tension in the nearby South China Sea over overlapping territorial claims among China, the Philippines, Vietnam, Malaysia, Brunei and Taiwan. Indonesia is not involved.⁶

Iran arrests Maersk Shipping vessel

Maersk Shipping-related businesses could be at risk while operating in the Persian Gulf, a maritime analyst has warned. His warning comes as the United States has sent navy ships to escort US-flagged vessels through the Strait of Hormuz. Box ship Maersk Tigris was arrested by the Iranian Revolutionary Guard while transiting the Strait of Hormuz on April 28, 2015. However, Maersk says no official documents that would normally accompany the arrest of a ship have been issued, and the ship does not belong to the group, which had it on time charter. Maersk has confirmed that Iran's port authority claims the arrest is due to an ongoing legal dispute - a commercial case - between Maersk and an Iranian company. Hans Tino Hansen, CEO and founder of maritime risk assessment company Risk Intelligence, said that the event obscured certainty about what to expect in the region in the future, and could point to internal clashes within Iran.⁷

US says that the Iranian Navy fired at Singapore-flagged tanker

Iranian naval vessels fired shots at a Singapore-flagged tanker in the Gulf on May 14, 2015.

According to the US officials, the incident appeared to be Iran's latest attempt to settle a legal dispute with passing commercial vessels by force. The incident unnerved the shipping industry just as President Barack Obama met with Gulf allies to try to allay their concerns that Iran would be empowered by a deal to curb Tehran's nuclear program in exchange for the West lifting sanctions. US officials said five Iranian Revolutionary Guard Corps Navy ships approached the Alpine Eternity oil products tanker at about noon (0800 GMT), prompting the ship to flee to safety in United Arab Emirates' waters. Iran had attempted to intercept the vessel in international waters because Tehran says the tanker is liable for damage to an Iranian-owned oil platform it hit on March 22, 2015. The White House, Pentagon and State Department declined to confirm emerging details about the episode but acknowledged concern about Iran's conduct.⁸

Iran, Oman agree to demarcate their maritime borders completely

Iran and Oman have signed an agreement to demarcate their maritime borders in the Sea of Oman. The agreement will "institutionalize and promote Tehran-Muscat relations," Iran's Foreign Minister Mohammad Javad Zarif told reporters in the Omani capital on May 26, 2015. Zarif also hailed the deal which would complete the border line between the two countries. He noted that Iran and Oman "have very good relations and broad cooperation." "This agreement demonstrates the [kind of] ties Iran is keen on having with all its neighboring countries, particularly in the Persian Gulf," Zarif said. The Iranian minister had arrived

⁶ "Indonesia blows 41 foreign fishing boats to bits, including Chinese ship seized in South China Sea", *South China Morning Post*, May 21, 2015, at <http://www.scmp.com/news/asia/southeast-asia/article/1805173/indonesia-blows-41-foreign-fishing-boats-bits>

⁷ "Shipping warned on Iran action against Maersk", *IHS Maritime 360*, May 1, 2015, <http://www.ihsmaritime360.com/article/17716/shipping-warned-on-iran-action-against-maersk>

⁸ "Iran navy fires shots at tanker as tensions rise in Gulf", *Defence Web*, May 15, 2015, at http://www.defencewebsite.co.za/index.php?option=com_content&view=article&id=39159:iran-navy-fires-shots-at-tanker-as-tensions-rise-in-gulf&catid=108:maritime-security

in Muscat at the head of a delegation to hold talks with Omani officials.⁹

Malaysia and Indonesia to allow temporary shelter to 7000 boat people adrift at sea

Malaysia and Indonesia said that they would offer shelter to 7,000 boat people adrift at sea in rickety boats but made clear their assistance was temporary and they would take no more. More than 3,000 migrants have landed so far in Malaysia and Indonesia in May 2015. Together with Thailand, they have pushed away many boats that approached their shores despite appeals from the United Nations to take them in. In a joint statement in Kuala Lumpur, Malaysia and Indonesia emphasised that the international community also had a responsibility to help them deal with the crisis. The migrants are mostly Rohingya Muslims from Myanmar and Bangladeshis - men, women and children who fled persecution and poverty at home or were abducted by traffickers, and now face sickness and starvation at sea. Both countries said they would offer "resettlement and repatriation", a process that would be "done in a year by the international community."¹⁰

Japan and Malaysia aspire for strategic partnership

Japan and Malaysia agreed to bolster security ties and start talks on transfers of defense equipment and technology, their leaders said on May 25, 2015, as both separately wrangle with China over territorial spats. "I've agreed with Prime Minister Najib (Razak) to raise our bilateral ties to strategic partnership,"

Japanese Prime Minister Shinzo Abe told a joint news conference. "As a concrete step, we've agreed to cooperate in defense equipment. Also, by reinforcing support to (Malaysia's) maritime law enforcement body, we will cooperate for maritime safety." Details of cooperation on defense gear and technology are yet to be decided, but it is likely to include the areas of disaster relief and maritime security, Japanese Deputy Chief Cabinet Secretary Katsunobu Kato told reporters. Malaysia is the first Southeast Asian country with which Japan has launched negotiations on such cooperation, Kato said. Abe also expressed strong concern over China's land reclamation in the South China Sea.¹¹

Seychelles and Australia discuss security and stability in the Indian Ocean

The commander of the Joint Task Force 633, Rear Admiral Trevor Jones of the Royal Australian Navy, paid a courtesy call on President James Michel of Seychelles on May 12, 2015. He was accompanied by the Australian High Commissioner to Seychelles, Susan Coles, who resides in Mauritius. President Michel expressed that his country values the support of Australia in a variety of projects and the assistance provided has really helped the country. He also appreciated the Australian engagement in the Indian Ocean. The President and the Rear Admiral discussed the ongoing efforts by Australia and the coalition maritime forces in patrolling the maritime region adjacent to the Seychelles and also the fight against piracy, Seychelles' challenges as a small island developing state, the Blue Economy concept and the protection of the environment.¹²

⁹ "Oman, Iran sign agreement to demarcate maritime borders", *albawaba*, May 26, 2015, <http://www.albawaba.com/news/oman-iran-sign-agreement-demarcate-maritime-borders-699504>

¹⁰ "Malaysia, Indonesia let boat people ashore temporarily", *The Maritime Executive*, May 20, 2015, at <http://www.maritime-executive.com/article/malaysia-indonesia-let-boat-people-ashore-temporarily>

¹¹ "Japan and Malaysia bolster defense ties", *The Maritime Executive*, May 25, 2015, at <http://maritime-executive.com/article/japan-and-malaysia-bolster-defence-ties>

¹² "Seychelles, Australia reaffirm commitment to security and stability in the Indian Ocean", *Seychelles Nation*, May 13, 2015, at <http://www.nation.sc/article.html?id=245383>

IMDEX Asia 2015 in Singapore witnesses strong Indian presence

Asia Pacific's premier international maritime defence show, International Maritime Defence Exhibition (IMDEX 2015) held in Singapore on May 19, 2015 saw a strong Indian representation. The Indian Navy was represented by Rear Admiral Ajendra Bahadur Singh, Flag Officer Commanding Eastern Fleet, with ships of the Eastern Fleet, INS Satpura and INS Kamorta. Indian Coast Guard was represented by Additional Director General SPS Basra, Coast Guard Commander (Western Sea). Indian defence companies have been regularly participating in the bi-annual exhibition but this is the first time that they came together to set up a pavilion alongside France, Germany, Israel, Italy, Singapore, the United Kingdom and the United States. Indian shipyards setting up their stalls are Mazagon Dock Limited, Goa Shipyard Limited and Garden Reach Shipbuilders and Engineers Limited.¹³

Project Biro to help strengthen South African Navy

Project Biro is the South African Navy's plan for the acquisition of six new patrol vessels. A three-day bidders' conference held on Project Biro in Simon's Town in April 2015 marked an important step for improving South Africa's maritime security. The conference, organised by the Armaments Corporation of South Africa (ARMSCOR), attracted significant local and foreign shipbuilder attention. Interested shipyards will soon submit tenders to build three inshore patrol vessels (IPVs) and three offshore patrol vessels (OPVs). If fully implemented, Biro will result in the South African Navy acquiring these vessels by 2018. The project's expanded capacity would then enable South Africa to mount cheaper, more focused and more effective missions and

operations against the threats and challenges it encounters in its maritime domain, especially illegal fishing and trafficking. This improved capacity will be of immediate and immense national benefit. Of particular interest will be the possible impact on maritime security in the Southern African Development Community (SADC), the rest of Africa and beyond. The IPVs would patrol South Africa's coast and territorial waters for criminal activities, while the helicopter-equipped OPVs would have the ability to operate further out into South Africa's exclusive economic zone and the high seas.¹⁴

US ready to increase maritime cooperation with Sri Lanka

With the replacement of pro-Chinese Mahinda Rajapaksa by Maithripala Sirisena as President of Sri Lanka, the United States has begun weaning Lanka away from China's maritime security net. In the context of China's aggressive posturing in the South China Sea and American concerns over similar power projections by the Chinese in the Indian Ocean, Jeff Rathke, US State Department's Deputy Spokesman, said that "the United States and Sri Lanka are working together to oppose intimidation or the use of force to assert territorial or maritime claims." He further said, "We support Sri Lanka's efforts to contribute to maritime security and to fulfil its important role as a leading maritime nation in the Indo-Pacific region." Further, the spokesman quoted Secretary of State John Kerry as saying that the "leadership" of maritime security in the Indo-Pacific region, is with the US. The US is wary about China's alleged bid to turn the ports it is building in Lanka and other countries in the region into a string of military bases. Presently, the Chinese have exclusive use of a section of the Colombo and Hambantota harbours, which it has built.¹⁵

¹³ "India to make strong representation at IMDEX Asia 2015", *The Economic Times*, May 18, 2015, at <http://economictimes.indiatimes.com/news/defence/india-to-make-strong-representation-at-imdex-asia-2015/articleshow/47329105.cms>

¹⁴ "Can project Biro help Africa to overcome its maritime security challenges?", *Institute for Security Studies*, May 4, 2015, at <https://www.issafrica.org/iss-today/can-project-biro-help-africa-to-overcome-its-maritime-security-challenges>

¹⁵ "US weans Lanka away from China's maritime security net", *The New Indian Express*, May 8, 2015, <http://www.newindianexpress.com/world/US-Weans-Lanka-Away-From-Chinas-Maritime-Security-Net/2015/05/08/article2804198.ece>

Tanzania has commissioned two Chinese Haiqing-class patrol boats

Tanzanian President Jakaya Kikwete has commissioned into service two new warships supplied by China's Poly Technologies.¹⁶ Recently released satellite imagery has also confirmed that the two patrol boats commissioned by the Tanzanian Navy Command (TNC) in the early 2015 are Chinese-built Haiqing-class patrol boats. The commissioning ceremony for TNS *Mwitongo* (P77) and TNS *Msoga* (P78) was held at the TNC's Kigamboni base in Dar-es-Salaam on April 28, 2015. Reportedly, the vessels were built by the Chinese company Poly Technologies Corporation. The vessels have a length of 63 m and a full-load displacement of 486 tonnes that make them the largest in the Tanzanian Navy. Haiqing-class vessels are not currently being produced, so the two Tanzanian ships are almost certainly ones that have been retired by the People's Liberation Army Navy (PLAN), with Poly Technologies presumably overseeing their export to Tanzania. The vessels still have both Type 76 twin 37 mm guns and both Type 69 twin 14.5 mm guns, as well as four 12.7 mm machine guns, but the anti-submarine mortars that are fitted to Haiqing-class boats in PLAN service have been removed. It seems likely that their sonar systems have also been removed as superfluous to the TNC's requirements. Speaking at the commissioning ceremony, Tanzanian president Jakaya Kikwete had said that the ships have seven-day endurance and would improve the TNC's ability to combat illegal fishing, piracy, and protect offshore oil and gas installations. He further said that "we have plans to bring in even bigger ships, and now the remaining part is mobilising funds."¹⁷

Thailand and Indonesia to contribute on migrant issue

During the three day official visit of the Thai Prime Minister and Defence Minister to Indonesia, both the countries have agreed to cooperate on addressing human trafficking-related issues based on the humanitarian principle, including those on illegal Rohingya and fishing migrants. Thai Defence Ministry Spokesman Major General Kongcheep Tantrawanit told journalists that the agreement was concluded during a meeting between Indonesian Defence Minister General Ryamizard Ryacudu and visiting Thai Deputy Prime Minister and Defence Minister General Prawit Wongsuwan in Jakarta. General Prawit Wongsuwan also invited the Indonesian defence minister to attend the one-day international special meeting on irregular migration in the Indian Ocean, to be hosted by Thailand on May 29, 2015. The spokesman stated that both sides also discussed problems in the fishery sector, including illegal fishing in Indonesian waters by Thai fishermen, many of whom remain in Indonesian jails.¹⁸

Amid a decrease in piracy in the Gulf of Aden MARCOM focus on training regional forces

Somalia and the neighbouring countries are being helped by the three task forces of NATO Allied Maritime Command (MARCOM), together with allied forces, patrol their own waters as piracy incidents decrease due to naval patrols and the adoption of best management practices. Nevertheless, anti-piracy patrol in the Gulf of Aden and Mozambique Channel continue. Due to the

¹⁶ "Tanzanian navy commissions new vessels", *Defence Web*, May 6, 2015, at http://www.defencewebsite.co.za/index.php?option=com_content&view=article&id=39060:tanzanian-navy-commissions-new-vessels&catid=51:Sea&Itemid=106

¹⁷ "Tanzania commissions two Haiqing-class patrol boats", *IHS Jane's 360*, May 18, 2015, at <http://www.janes.com/article/51504/tanzania-commissions-two-haiqing-class-patrol-boats>

¹⁸ "Thailand, Indonesia agree to jointly address human trafficking issue", *Astro Awani*, May 22, 2015, at <http://english.astroawani.com/world-news/thailand-indonesia-agree-jointly-address-human-trafficking-issue-60515>

efforts not one serious attack attempt has taken place since January 2014. However, the conditions that first caused the outbreak of piracy still exist. MARCOM is now focusing its efforts, in close co-ordination with the Combined Maritime Forces (CMF) and the European Union Naval Force (EU NAVFOR), on increasing Somali and neighbouring countries' abilities to successfully patrol their own waters and deter piracy without outside assistance.¹⁹

¹⁹ "Shift to training regional forces as Somali piracy decreases", *Defence Web*, May 28, 2015, at http://www.defencweb.co.za/index.php?option=com_content&view=article&id=39317:shift-to-training-regional-forces-as-somali-piracy-decreases&catid=108:maritime-security

ECONOMIC COOPERATION

New Colombo plan launched by Australia and Thailand

Thailand and Australia on May 8, 2015 re-launched the New Colombo Plan in Bangkok to strengthen the trading and interpersonal relationship between both countries, Thai foreign ministry spokesman Sek Wannamethee said. The ceremony was presided over by Thai Foreign Minister General Tanasak Patimapragorn and his Australian counterpart Julie Bishop during the latter's visit to Thailand. The project sends Australian undergraduate students to countries in the Asia-Pacific and Indian Ocean regions for tertiary study, development of international friendships, and enhancement of the good relationship between neighboring countries. The project was re-introduced in 2014, with Thailand as a member state of the New Colombo Plan that has been extended to involve more countries. It is expected that the plan will strengthen the long standing relationships between Australia and other Indo-Pacific countries. Australia had downgraded Thailand after then Army Chief General Prayut Chan-o-cha staged a coup in May last year.²⁰

India's OVL and its partners start developing LNG terminal in Mozambique

In a step towards start of gas production from its giant Mozambique gas fields, India's ONGC Videsh Ltd (OVL), a state-owned company, and its partners have awarded contract for development of an onshore Liquefied Natural Gas (LNG) terminal. About 75 trillion cubic feet of natural gas reserves found in offshore Rovuma Area-1, where Indian

firms led by OVL hold a total of 30 per cent stake, are to be converted into LNG for transportation by ships to consuming nations like India. An estimated US\$18.4 billion will be required to bring first set of discoveries in Rovuma Area-1 on to production and convert that gas into liquid (LNG) for ease of shipping to consuming nations like India.²¹

Indonesia announces plans for maritime 'Technoparks'

The Indonesian Ministry of Maritime Affairs and Fisheries has announced plans to develop five maritime technology parks to improve fisheries-based business in Indonesia. The areas set for development—dubbed Technoparks for Maritime Affairs and Fisheries, or TPKP—have been announced as the Natuna Islands in Riau Islands province; Simeulue district in Aceh; Sangihedi Islands district in North Sulawesi; Western Southeast Maluku district in Maluku, and Merauke district in Papua. Achmad Poernomo, head of research and development at the Maritime Affairs and Fisheries Ministry said that the government had set aside a US\$1.2 million budget for TPKP development in those five areas. Developing Indonesia's maritime sector is a key goal for President Joko Widodo, who has outlined plans to improve maritime infrastructure and stamp out illegal fishing. Meanwhile, Human Development and Cultural Affairs Coordinating Minister Puan Maharani and Research and Technology and Higher Education Minister M Nasir have launched the development of 100 national science and technology parks.²²

²⁰ "Thailand and Australia re-launches New Colombo Plan", *The Nation*, May 8, 2015, at <http://www.nationmultimedia.com/national/Thailand-and-Australia-re-launches-New-Colombo-Pla-30259620.html>

²¹ "ONGC, its partners developing LNG terminal in Mozambique", *The Times of India*, May 18, 2015, at <http://timesofindia.indiatimes.com/business/india-business/ONGC-its-partners-developing-LNG-terminal-in-Mozambique/articleshow/47330498.cms>

²² "Indonesia to develop maritime 'Technoparks'", *MarineLink.com*, May 8, 2015, at <http://www.marinelink.com/news/technoparks-indonesia390887.aspx>

Indonesia officially opens the Lamong Bay Terminal

Lamong Bay Terminal in Indonesia's Surabaya port was officially opened by President Joko Widodo on May 22, 2015, marking a milestone for the country's transportation development. The terminal, which will raise Surabaya's annual throughput capacity from 1.5 million teu to 3.5 million teu, can accommodate 5,000 teu vessels and is fully automated with Konecranes' systems. Operated by Indonesian state-run Pelindo III, the terminal is part of president Widodo's plan to develop Indonesia into a maritime nation, a strategy that involves building more than 170 seaports. Konecranes, a Finnish crane-maker, supplied 20 automated stacking cranes, remote operating stations (ROS), and associated container yard infrastructure. Konecranes also provided 10 ship-to-shore cranes and five straddle carriers. Lamong Bay Terminal's automated container handling system incorporates a host of technological improvements, including stronger redundancy throughout the design and an improved ROS and graphical user interface.²³

President Rouhani sees Chabahar development opening new chapter in Iran-India ties

Iran's cooperation with India on the development of the strategically important Chabahar Port would open a new chapter in bilateral ties, Iran's President Hassan Rouhani said while inviting Indian investments in the oil-rich country's infrastructure sector on May 6, 2015. Touching upon the two countries' ancient and historical relations, Rouhani, in his meeting with Nitin Gadkari, Minister of Road Transport and Highways, India, underscored that undoubtedly the level of

mutual cooperation could be expanded day by day. Pointing to Iran's transit position for connecting east to west and north to south, he stressed that the Islamic Republic could play a pivotal role in connecting India to Central Asia, the Caucasus and Eastern Europe via railway. Noting the importance of North-South Transport Corridor and development of Iranian ports, Rouhani stressed that Iran fully welcomes the Indian investors to invest in construction of roads, railways and development of Chabahar Port and other southern ports in Iran. Meanwhile, this is to note that the US Under Secretary of State for Political Affairs Wendy Sherman has said that India and other countries should "not rush" into doing business with Iran as Washington is yet to work out its nuclear deal with Tehran.²⁴

Sabah state government awarded by WWF for its plans to create largest marine park in Malaysia

The state government of Sabah has been awarded the Leaders for a Living Planet Award by the World Wildlife Fund (WWF) for its plans to create the largest marine park in Malaysia. The proposed Tun Mustapha Park (TMP) represents almost one million hectares of marine protected area off the north coast of Sabah, Malaysia. The park will encompass 50 islands and will protect one of the world's most biodiverse marine ecosystems. WWF has launched a major global effort to emphasise the value of coastal marine resources to hundreds of millions of people around the world and to strengthen marine conservation. As part of this initiative, WWF pledged full support to the state government of Sabah for the designation of the park and to help secure the funding required to ensure its effective management once created.²⁵

²³ "Lamong Bay Terminal opens in Indonesia", *IHS Maritime 360*, May 26, 2015, at <http://www.ihsmaritime360.com/article/18024/lamong-bay-terminal-opens-in-indonesia>

²⁴ "Chabahar development to open new chapter in Iran-India ties: Rouhani", *Zee News*, May 6, 2015, http://zeenews.india.com/news/india/chabahar-development-to-open-new-chapter-in-iran-india-ties-rouhani_1591113.html

²⁵ "Malaysia awarded for marine park plans", *World Fishing & Aquaculture*, May 1, 2015, at <http://www.worldfishing.net/news101/industry-news/malaysia-awarded-for-marine-park-plans>

Integrated fishery terminal to make Kedah in Malaysia an international fisheries centre

Kedah will soon emerge as an international fisheries centre especially for tuna in Southeast Asia through the establishment of the Kedah Integrated Fishery Terminal (KIFT). KIFT will be a joint venture between the Kedah State Development Corp (PKNK) and China-based Qingdao Lu Hai Feng Investment Co Ltd (Lu Hai Feng). The project will involve an investment of about RM1 billion and is targeting fish landings of about one million tonnes annually. The Qingdao local council and Lu Hai Feng are interested to use Kedah as an international fisheries centre for tuna caught in the Indian Ocean rich in this high-value commodity. The proposal to set up KIFT is to cater for the excess tuna fish caught in the Indian Ocean which can be processed in Kedah and exported to China via the Qingdao port.²⁶

Mauritius based YUVA wants to forge relationship with Indian counterparts

Youth United in Voluntary Action (YUVA) is the fastest growing youth organisation of Mauritius to which Prime Minister Narendra Modi's visit served as a catalyst. Mauritius-based organisation YUVA believes that a new form of leadership is required to ensure a far better and secured tomorrow and seeks to develop international youth cooperation with Indian non-governmental organisations (NGO). "YUVA is in conversation with several large NGOs in India to see how we can collaborate on the international front. As president of YUVA, I wish to invite the organisations in India to contact us for collaboration," says Krishna Athal, president, YUVA. Like India, thousands of Mauritians also feel that

opportunity exists for change to take place and that it is absolutely essential to recognise what ignites passion in an individual. YUVA acts as a platform to achieve growth among its citizens through idealism and innovation. YUVA, also holds nationwide interest in transformative leadership and good governance and operates to foster systematic growth among the people.²⁷

IMF predicts 7 per cent growth for Mozambique in 2015

The International Monetary Fund (IMF), on May 12, 2015 forecasted that the Mozambican economy would expand by 7 per cent in 2015 and that annual inflation should stand at 5.5 per cent. The forecasts follow an IMF mission in the scope of the fourth evaluation of the Policy Support Programme set up with the Mozambican authorities in June 2013. Regarding the forecasted growth rate for gross domestic product (GDP), the IMF representative warned that it could change due to "the lower price of raw materials" exported by the country and "the need for budget consolidation", already indicated in the state budget for 2015. Even though it may eventually be less, the forecasted growth will always be at "a very high level" compared to the average of 4.5 percent estimated for countries of the sub-Saharan Africa region, he stressed.²⁸

Mozambique and Tanzania extend mutual visa free stay to 90 days

The Mozambican and Tanzanian governments signed an amendment to the visa waiver agreement on May 17, 2015, extending the period in which citizens of one of the countries can stay in the other without an

²⁶ "Kedah to emerge as international fisheries centre", *The Star Online*, May 13, 2015, at <http://www.thestar.com.my/Business/Business-News/2015/05/13/Kedah-to-emerge-as-international-fisheries-centre/?style=biz>

²⁷ "India, Mauritius relationship on a new high", *India Today*, May 29, 2015, at <http://indiatoday.intoday.in/story/india-mauritius-relationship-on-a-new-high/1/441102.html>

²⁸ "IMF forecasts 7 percent growth for Mozambique's economy in 2015", *macauhub*, May 13, 2015, at <http://www.macauhub.com.mo/en/2015/05/13/imf-forecasts-7-percent-growth-for-mozambique%E2%80%99s-economy-in-2015-2/>

entry visa from 30 to 90 days. The agreement covers all types of passports (normal, diplomatic and service). It was signed in Dar-es-Salaam by Mozambican Interior Minister Basilio Monteiro and Tanzanian Foreign Minister Bernard Membe, at the end of a meeting between the presidents of the two countries, Filipe Nyusi and Jakaya Kikwete. President Nyusi was on an official visit to Tanzania, his first to any country since he was sworn in as President in January 2015. Monteiro said the amendment to the agreement was intended to make cooperation between the two countries “more fluid” by facilitating the free circulation of people and goods.²⁹

Oman and Indonesia to set up a joint business council

Oman and Indonesia plan to set up a joint business council which is expected to be formed by the end of this year to facilitate bilateral trade, said an Indonesian official. The volume of trade between the two countries have been modest over the past years, but Mochamad Bayu Pramonodjati, coordinator of economy and trade function at the Indonesian Embassy in Muscat, believes that the time is apt now to give a boost to economic ties. Bayu said that the launch of direct flights from Muscat to Jakarta by Oman Air in December 2014 has provided a great opportunity for businessmen in Oman and Indonesia to further explore each other's markets. According to the Indonesian Ministry of Trade, the volume of bilateral trade reached US\$438.3 million in 2014, showing an increase of 2.9 per cent from 2010 till 2014. Indonesian exports to Oman include wood and wood product, electrical appliances, paper and paperboard, iron, textiles, man-made staple fibers, furniture and foodstuff, while Indonesian imports

from Oman are products of mill industry, mineral fuels and inorganic chemicals.³⁰

Seychelles accepts IMF's special data dissemination standard

Seychelles became the 64th country to subscribe to the International Monetary Fund's special data dissemination standard (SDDS) on May 1, 2015. The SDDS is an international statistical reporting standard established by the IMF to guide countries in the dissemination of timely and comprehensive statistics to the public. Seychelles is only the third sub-Saharan African country after South Africa and Mauritius to subscribe to this reporting standard. The country's subscription to the SDDS culminated from years of hard work of various stakeholders namely the government, the Central Bank and the National Bureau of Statistics (NBS) with strong private sector involvement. It is anticipated that subscription to the SDDS will ensure that comprehensive statistics are made available to the public in a more structured and timely manner with increased transparency. This will benefit both local and international investors, researchers, students and multilateral organisations.³¹

Seychelles endorses Sadc regional industrialisation strategy and roadmap (2015-2063)

Seychelles has endorsed the Southern African Development Community regional industrialisation strategy and roadmap (2015-2063), a strategy aimed at guiding the entire region in its quest for socio-economic transformation through industrialisation. Designated Minister Vincent Meriton, representing President Michel, headed the Seychelles delegation at the Sadc extraordinary summit which discussed issues concerning the Regional Industrialisation

²⁹ “Mozambique and Tanzania extend visa waiver period”, *All Africa*, May 18, 2015, at <http://allafrica.com/stories/201505190161.html>

³⁰ “Indonesia and Oman to set up joint business council by end of this year”, *Times of Oman*, May 9, 2015, at <http://timesofoman.com/article/51819/Business/Indonesia-and-Oman-to-set-up-joint-business-council-by-end-of-this-year>

³¹ “Seychelles subscribes to IMF's special data dissemination standard”, *Seychelles Nation*, May 7, 2015, at <http://www.nation.sc/article.html?id=245314>

Strategy and Roadmap, the launch of the Comesa-EAC-Sadc Tripartite Free Trade Area and the launch of negotiations for the Continental Free Trade Area that was held on April 29, 2015 in Harare, Zimbabwe. This decision by the summit entails a structural transformation of the Sadc region as it is recognised that industrialisation is an important driver for the economic development and integration of all countries of the community. In his intervention, Minister Meriton stated that the Sadc region in its diversity also comprises coastal and island states. He expressed his appreciation that the 'blue economy' concept was being incorporated in the strategy and roadmap.³²

Seychelles and Mauritius to establish administrative and legal body for Mascarene joint shelf area

The establishment of an administrative and legal body for the Mascarene Plateau region, jointly shared by the Indian Ocean islands of Seychelles and Mauritius, was one of the key issues highlighted during the 6th meeting of the Joint Commission between the two island nations, held in the Seychelles capital of Victoria on May 8, 2015. The Mascarene Plateau is a large shallow area ranging in depth from 8 to 150 metres in the Indian Ocean, situated to the north and east of Madagascar. The shelf extends approximately 2,000 km from the Seychelles in the north to Réunion in the south and covers an area of over 115,000 square kilometres. Once it has been set up, the body will make up a three-tiered structure for the management of the joint area alongside the Joint Commission and the Ministerial Council. The setting up of the institutional framework is also one of the five main strategic objectives found in a three-year strategic plan which was endorsed at the end of

the meeting.³³

Seychelles' Victoria and China's Qingdao become sister cities

The Mayor of the city Victoria, Jacqueline Moustache-Belle, and the party secretary of the CPC Qingdao Committee, Li Qun, signed a memorandum of understanding (MoU) to establish sister city relationship between the two cities on May 12, 2015. The twinning agreement seeks to promote mutually beneficial cooperation in the fields of economy, science and technology, culture, education, sports, health, sustainable development, environmental protection, urban development, tourism, and trade, particularly in areas such as 'blue economy' and port. Speaking after the signing, Mrs Moustache-Belle said, "We already have an excellent relationship with China and even though we are a small island state, China has always given us the respect we deserve. We have a lot in common and I am sure this is the beginning of a very fruitful relationship." Mr Li Qun noted that it is very important for China to develop relationships with different cities. "We need to bring our people closer and our local governments also. Today we are able to forge a relationship because of our similarities. We are both port cities. Last year Qingdao received 68 million tourists and if we can share 1 per cent of this, it would enrich Seychelles. We can also share our experiences in managing ports, in deep sea diving and cultural exchange," he said.³⁴

Seychelles Tourism Academy signs MoU with Beijing University for student and faculty exchange programme

In the near future, the Seychelles Tourism Academy (STA) can send students on exchange programmes

³² "Seychelles supports Sadc regional industrialisation strategy, roadmap", *Seychelles Nation*, May 7, 2015, at <http://www.nation.sc/article.html?id=245319>

³³ "Management structure to be established by Seychelles and Mauritius for Mascarene joint shelf area", *Seychelles News Agency*, May 12, 2015, at <http://www.seychellesnewsagency.com/articles/2923/Management+structure+to+be+established+by+Seychelles+and+Mauritius+for+Mascarene+joint+shelf+area>

³⁴ "Seychelles-China - Victoria, Qingdao become sister cities", *Seychelles Nation*, May 13, 2015, at <http://www.nation.sc/article.html?id=245378>

to the Beijing Union University (BUU) and vice versa and the former can also recruit Chinese lecturers as well as students to study here. This will be possible now that the STA has for the first time signed a memorandum of understanding with the BUU. Through this agreement with the BUU, the STA will have access to the Tourism College of the BUU. This will make easier the exchange of students and lecturers as well as provide a platform for exchanging research and scientific materials. The Tourism College of BUU has junior graduates, undergraduates and post graduates students and offers courses for tourism management and tourism planning which will be of great benefit for STA students. With Chinese students coming to study in Seychelles, they are expected to be the best promoters for our country and this is hoped to help increase the number of tourists from China who visit Seychelles. The agreement was signed by the principal secretary for tourism Anne Lafortune and the president of BUU Lu Zhenyang at the headquarters of the Ministry of Tourism at Espace.³⁵

Bilateral air services agreement signed between Seychelles and Brazil

Seychelles and Brazil have signed a bilateral air services agreement (Basa). It finalised discussions that took place between the two countries and aviation authorities during the International Civil Aviation Organisation (ICAO) air services negotiations conference which was held in December 2013 in Durban, South Africa. This modern framework encompassing all the major requirements for commercial operations in this modern age of civil aviation ensures full compliance with international civil aviation's safety and security rules and procedures. According to Gilbert Faure, the CEO

of the Seychelles Civil Aviation Authority (SCAA), "It will provide the airlines with exceptional flexibilities to operate through cooperative arrangements such as codeshare partnerships which permit an important means for assuring a seamless point of connection for passengers and goods through virtual network." It will also permit the use of leased aircraft for the proper management of operational flexibilities necessary for small airlines.³⁶

Airtel inaugurated its first national optic fibre ring in Seychelles

Airtel Seychelles, an Indian telecommunications company, has inaugurated its first national optic fibre ring at the Providence Industrial Estate, Providence. The project will complement the company's already existing 4G mobile service which it launched in 2014. The ring came only days after Airtel launched Airtel Money, a world class technology that provides a fast, simple and secure mobile commerce service that will allow its users to load cash on their mobile devices, top up their airtime, pay utility bills, shop at a variety of merchant outlets and carry out mobile banking. The launch formed part of activities to marking the Information Communications Technology (ICT) week in Seychelles.³⁷

South Africa invests US\$4.1 million in cattle and milk production in Mozambique

The government of South Africa plans to invest US\$4.1 million in cattle and milk production in Mozambique under a bilateral cooperation agreement in force since 2007. The Minister of Agriculture, Forestry and Fisheries of South Africa, Senzeni Zokwana, cited by Mozambican daily newspaper Notícias, said that the funding was spent on the creation of a Milk Processing Centre (Copoleite) and

³⁵ "Accord with Beijing University gateway for STA to recruit Chinese students", *Seychelles Nation*, May 21, 2015, at <http://www.nation.sc/article.html?id=245468>

³⁶ "Seychelles and Brazil sign bilateral air services accord", *Seychelles Nation*, May 22, 2015, at <http://www.nation.sc/article.html?id=245484>

³⁷ "Airtel launches fibre optic ring for high speed network service", *Seychelles Nation*, May 25, 2015, at <http://www.nation.sc/article.html?id=245514>

construction of a plant for milk processing as well as the promotion of dairy farming. Zokwana stressed that his visit to Mozambique also served to reinforce the bilateral cooperation between the two countries in the veterinary area. He added that his country would continue to provide support to Mozambique by transferring food technologies as per a bilateral agreement signed in Maputo on April 29, 2015.³⁸

South Africa tops the tourism competitiveness index among African countries

South Africa, Nelson Mandela's Rainbow Nation, has ranked 1st in Africa and 48th out of 141 countries in the World Economic Forum's (WEF) global Travel and Tourism Competitiveness Index (TTCI). Seychelles and Mauritius follow the subsequent ranks in Africa. For the first time leading the global pack is Spain at number one in the world's TTCI. WEF said that the leading points that placed South Africa on high ranks are its wealth in cultural and natural resources, as well as solid tourist infrastructure and price competitiveness. However, it faces limitations due to policy constraints and its weakness in its "enabling environment" for tourism and travel related business, including rigid labour markets and visa regimes. Margareta Drzeniek-Hanouz, director and lead economist for WEF, told CNBC Africa that this was a "fairly good ranking for South Africa." In light of the recent xenophobic attacks, she said, they were unlikely to be reflected because the index did not feature any socio-cultural factors.³⁹

South Africa Government commissions an investigation to look at potential impact of shale gas

The South African Government has set up an investigation into the possible effects and potential mitigation opportunities of shale gas if it is found in the country. Naledi Pandor, Science and Technology

Minister, said that "If indeed viable deposits are found in South Africa, shale gas, as a relatively lower carbon energy source, presents significant transformative potential for the South African economy." The government had commissioned the Strategic Environmental Assessment of Shale Gas Development to look into the resource, she explained. "Not only could the exploitation of deposits of lower carbon shale gas – if found – result in the provision of affordable and safe energy, [but] it is also a potential source of job creation, foreign exchange and investment." It would also contribute towards South Africa's energy security, Pandor said. She was speaking at a media briefing as the representative of a ministerial task team comprising the departments of Environmental Affairs, Mineral Resources, Energy, and Water and Sanitation.⁴⁰

Sri Lanka pushes for a sustainable 'blue economy'

Being an island in the Indian Ocean, Sri Lanka is endowed enormously with ocean resources. Fisheries, trade, agriculture, and tourism have been key sectors which are reliant on the ocean resources in Sri Lanka. Fishery and mineral resources in the Indian Ocean are of direct commercial importance. There is also an untapped potential for minerals such as polymetallic nodules and polymetallic massive sulphides. The coastal sediments contain titanium and zirconium tin. In addition, the Indian Ocean possesses a number of energy sources, including gas and oil reserves. The strategic location of the country in the Indian Ocean has brought numerous economic benefits to the country. Sri Lanka plans to establish the Centre of Excellence on Ocean Sciences and Environment, via the Indian Ocean Rim Association (IORA), with the objective of promoting such collaborations regarding 'blue economy' among

³⁸ "South Africa invests in milk production in Mozambique", *macauhub*, May 4, 2015, at <http://www.macauhub.com.mo/en/2015/05/04/south-africa-invests-in-milk-production-in-mozambique/>

³⁹ "South Africa still leading Africa's tourism space", *CNBCAFRICA.com*, May 8, 2015, at <http://www.cnbcfrica.com/news/special-report/2015/05/08/south-africa-travel-wef/>

⁴⁰ "Team to look at potential impact of Karoo shale gas", *SouthAfrica.info*, May 12, 2015, at <http://www.southafrica.info/about/sustainable/shalegas-sea-130515.htm#.Vdym4H0avjw>

Indian Ocean rim countries. The initiative aims to enhance the sustainable utilization of Indian Ocean resources and increase its role in the economies of its member countries, including Sri Lanka.⁴¹

Chinese investments in Tanzania cross over US\$4 billion mark

The Chinese Ambassador to Tanzania Lu Youqing broke the news that the Chinese investments in the country have surpassed the US\$4 billion mark. The ambassador further said that the Tanzania-China economic cooperation has reached an extraordinary scale. More than 500 Chinese companies have invested in Tanzania, creating 150,000 jobs. A further 300,000 people are in the work-related beneficial environment with the China-Tanzania bilateral trade. He awarded, in an event, 37 Tanzanians for their long term dedication and loyalty to their jobs; 25 Chinese nationals for their outstanding contribution and three Chinese companies for being the best employers.⁴²

Tanzania rated the 'Best Tourism Spot' by Netherlands based tourists' website

Tanzania has been rated as the best destination for tourists in Africa followed in the second and third places by Botswana and Kenya respectively. The ratings are a result of a research by a Netherlands based tourists' website, www.safaribookings.com, through collecting reviews and star ratings online. Tanzania garnered 188 reviews with 4.8 out of a five-star rating. Botswana got 136 reviews with a 4.7 out of a five-star rating; Kenya managed 148 reviews with 4.6 out of a five-star rating. The Minister for Tourism and Natural Resources, Tanzania, Mr Lazaro Nyalandu, said on May 19, 2015 that "the ratings announced by CNN recently are a result of hard work

in publicising the country's tourist attraction sites around the globe." These positive results are consequences of steps taken by the government and the nation in general in the whole issue surrounding tourism and conservation, most so in protection of the country's natural resources against poaching.⁴³

Thai government denies signing Kra Isthmus canal agreement with China

Senior Thai officials on May 19, 2015 denied reports that Thailand has signed an agreement with China to develop a shipping canal through the Kra Isthmus in the south of Thailand. Media reports stemming from China suggest that the Thai and Chinese governments have made an agreement in Guangzhou on a canal through the narrowest part of the Malay Peninsula in southern Thailand. If realised, the project would allow ships from the Indian Ocean to access the Gulf of Thailand, bypassing the congested Straits of Malacca. According to the news reports, the Kra Canal project will take a decade to complete and will incur a cost of US\$28 billion. However, a Thai Transport Ministry official said that the project is not in pipeline. Although several Thai leaders since the 1930s had suggested the Kra Canal project as an alternative shipping lane to the Straits of Malacca, linking the Indian Ocean with the Gulf of Thailand, the plan has never materialised due to its enormous cost and possible damage to the communities as well as environment in southern Thailand.⁴⁴

New FAD management steps taken by the Indian Ocean Tuna Commission

The 19th meeting of the Indian Ocean Tuna Commission (IOTC) was held in Busan, Korea, from April 24 to May 1, 2015. The Commission adopted

⁴¹ "A 'blue' economy emerging to support 'green' economy in Sri Lanka", *The Island*, May 24, 2015, at http://www.island.lk/index.php?page_cat=article-details&page=article-details&code_title=125327

⁴² "China invests over \$4bn in Tanzania", *East African Business Week*, May 3, 2015, at <http://www.busiweek.com/index.php/index1.php?Ctp=2&pI=3212&pLv=3&srI=49&spI=27&cl=10>

⁴³ "Tanzania rated as 'Best Tourism Spot'", *Daily News Online*, May 20, 2015, at <http://www.dailynews.co.tz/index.php/local-news/45029-tanzania-rated-as-best-tourism-spot>

⁴⁴ "Thailand denies Kra Canal deal", *Channel News Asia*, May 19, 2015, at <http://www.channelnewsasia.com/news/asiapacific/thailand-denies-kra-canal/1856758.html>

six EU proposals (stand alone or co-sponsored), including improved reporting requirements, a reinsertion of the expired IOTC capacity management framework and a conservation measure on billfish with clear indications of depletion or overfishing (striped marlin, black marlin and blue marlin). As a major new step, the IOTC also adopted a new resolution on target and limit reference points for scientific assessment of fish stocks, and also first

steps towards long-term management of key fisheries in the region. This resolution was presented jointly by the EU, Maldives and Australia, and represents a major step towards modern ecosystem-based management in the Indian Ocean. A working group was also set up to assess the impact of fishing aggregating devices (FADs) used in large-scale fishing.⁴⁵

⁴⁵ "Indian Ocean Tuna Commission adopts new measures on FAD management", *undercurrentnews*, May 6, 2015, at <http://www.undercurrentnews.com/2015/05/06/indian-ocean-tuna-commission-adopts-new-measures-on-fad-management/>

ENVIRONMENTAL CONCERNS/ DISASTER RISK MANAGEMENT

Indonesia pushes for biofuel in domestic market

Indonesia made waves when it reduced petroleum fuel subsidies in late 2014. At the end of June 2015, another major shift will take place as the country implements biofuel subsidies of 30 cents/liter, paid for by a \$50/barrel levy on crude palm oil (CPO) exports. The biofuels will be chiefly made from palm oil, of which Indonesia is the world's largest producer and exporter. Just a small percentage of the produce is used domestically. Under this plan, the incentives for domestic consumption would increase substantially, timed to a moment when global prices are denting palm oil returns. "Indonesia overplanted [palm oil]," said Dave McLaughlin, Vice President for Agriculture at the World Wildlife Fund. "Supply is greatly outpacing demand, and thus you have prices at a six year low right now." This demand only stands to drop further, as more and more countries and companies are implementing stricter deforestation and ethical standards for palm oil. Indonesia's plans to embark on a massive push to promote domestic palm oil consumption through biofuels may more than make up for this potential drop in demand. At the same time, it could also put more of the country's endangered forests at risk of deforestation, increasing the country's carbon footprint while making the national economy even more dependent on a single crop.⁴⁶

Partial forest clearing in Indonesia extended

Indonesia's president Joko Widodo extended the country's partial forest-clearing moratorium on May 13, 2015, the day of its expiration. Environment and forestry minister Siti Nurbaya said the government

greatly appreciated the calls from organisations such as Greenpeace, Walhi, Kemitraan, Sawit Watch, World Resources Institute and others. Now, as the extension is official, a detailed, cross-ministerial dialogue to address the proposed changes could begin. Activist groups had asked for the moratorium itself to be strengthened. At present, the policy, which bans new industrial concessions in primary forest and on peatland, exempts secondary forest and existing concessions and makes exceptions for "national development" projects – geothermal, oil and gas, electricity, rice, sugarcane – as well as any concession Siti's ministry chooses to allow.⁴⁷

Malaysian authorities seize precious timber buried in forest reserve

Malaysian authorities have uncovered timber "mass graves" where illegal loggers attempted to conceal valuable timber following a government crackdown on unlawful logging that started in February, 2015. The sites, located in the Belum-Temengor forest reserve, were revealed after the recent excavation of patches of land roughly the size of football fields, beneath which an estimated two stories of felled trees were stacked. About 400 tons of logs worth more than US\$250,000 were buried at the three locations and the culprits were waiting for the right time to dig them out to sell. The high-grade timber will be extracted from the sites so forensics teams can determine how long it has been buried, then the logs will be sold at an auction. In addition to these logs, 1,700 others were seized in a statewide raid earlier this month as part of a major crackdown nicknamed "Ops Gergaji."⁴⁸

⁴⁶ "Indonesia's biofuels push", *The Diplomat*, May 12, 2015, at <http://thediplomat.com/2015/05/indonesias-biofuels-push/>

⁴⁷ "Indonesia extends moratorium on partial forest clearing", *theguardian*, May 14, 2015, at <http://www.theguardian.com/environment/2015/may/14/indonesia-extends-moratorium-on-partial-forest-clearing>

⁴⁸ "Of illegal timber in Malaysia forest reserve", *E360 Digest*, May 26, 2015, at https://e360.yale.edu/digest/officials_uncover_mass_graves_of_illegal_timber_in_malaysia_forest_reserve/4446/

1.3 tonnes of rhino horn and ivory seized by Mozambique police

Mozambican police have seized nearly 1.3 tonnes of ivory and rhino horns, obtained from the illegal slaughter of 65 rhinos and 170 elephants, in a house belonging to a Chinese national. Mozambique is a major source of poachers willing to cross the porous border with South Africa to fill orders for rhino horn from criminal syndicates in East Asia, where some consider it to have medicinal properties. "Undoubtedly, this is a case related to poaching. Some ivory pieces still have fresh blood, a sign that some animals may have been recently killed," a police spokesman said. In 2015, South Africa, home to more than 80 per cent of the world's rhinos, lost an estimated record 1,215 of the animals to poachers, many of them from the Kruger Park, which borders Mozambique. While poaching of elephants is rare in South Africa, more than 20,000 elephants were killed elsewhere in the continent in 2013, and conservationists say the number being killed is now probably exceeding the number being born.⁴⁹

10,000 elephants poached in Mozambique within just five years

According to a new government survey, Mozambique has lost nearly half of its elephants to relentless, brutal, and highly-organised poaching in just five years. In 2010, the country was home to an estimated 20,000 pachyderms, today it houses just 10,300. Cristián Samper, president of the Wildlife Conservation Society, a partner in the government survey, said, "These survey results are sobering; criminals have taken a staggering toll on Mozambique's wildlife and natural resources." Almost

all of the elephant poaching occurred in Mozambique's remote northern region. For example, Niassa National Reserve lost two thirds of its elephants in the last three years alone. In 2012, conservationists estimated 12,000 elephants there, but the recent survey found just 4,400 animals alive.⁵⁰

Mining has polluted rivers dangerously in Manica, central Mozambique

Stretches of several rivers in Manica district in the central Mozambican province of the same name are now devoid of life because of the pollution caused by artisanal gold mining, reports "Noticias", a Maputo daily. Among the substances used by the miners is mercury, which can have lethal effects when it enters the food chain. Manica district administrator Carlos Mutar told the paper that downstream of the mining areas fish and other aquatic species cannot survive. Rivers such as the Pungue, the Revue, the Messica, the Nfirire and the Nhancarara are vulnerable. The pollution is killing not only the species in the water but also vegetation on the river banks. The disappearance of fish from the rivers has a serious impact on the local population for whom fish is part of their diet. Some of the rivers flow into the reservoir of the Chicamba dam. If the reservoir is poisoned, that will be a disaster not only for local fishermen, but for the residents of major urban areas, such as the provincial capital, Chimoio, Manica town, Gondola and Messica, which draw their supplies of drinking water from Chicamba. Not all the artisanal mining is illegal. Indeed about 7,000 miners are registered, and attempts are now under way to train them in the use of techniques that will not devastate the environment, and will minimize the danger to the rivers.⁵¹

⁴⁹ "Mozambique police seize 1.3 tonnes of poached rhino horn and ivory", *Defence Web*, May 15, 2015, at http://www.defencewebsite.co.za/index.php?option=com_content&view=article&id=39161:mozambique-police-seize-13-tonnes-of-poached-rhino-horn-and-ivory&catid=87:border-security&Itemid=188

⁵⁰ "Mozambique loses almost 10,000 elephants in just five years", *MONGABAY*, May 26, 2015, at <http://news.mongabay.com/2015/05/mozambique-loses-almost-10000-elephants-in-just-five-years/>

⁵¹ "Mozambique: Rivers dangerously polluted by mining in Manica", *All Africa*, May 27, 2015, at <http://allafrica.com/stories/201505280256.html>

Singapore and Malaysia jointly conduct a chemical-spill readiness exercise

Rescue teams from Singapore and Malaysia conducted a joint chemical-spill readiness exercise on May 14, 2015. The teams comprising personnel from 24 agencies from Singapore and Malaysia swung into action to tackle a simulated chemical spill at Tuas. The 1.5 hour exercise was the 10th such joint effort organised by the National Environment Agency (NEA) and the Department of Environment, Malaysia, as part of a bilateral cooperation programme under the Malaysia-Singapore Joint Committee on the Environment. Singaporean agencies which participated in the exercise included SCDF, the Singapore Police Force, the MPA and the NEA.⁵²

Cholera claims lives of 29 Burundian refugees and 2 locals in Tanzania

The UN refugee agency (UNHCR) reported on May 22 that a cholera epidemic in Tanzania's lakeside unga

area has killed two local people and 29 Burundian refugees, adding to the serious challenges created by the forced population displacement from Burundi. The UNHCR spokesman Arian Edwards, speaking to journalists in Geneva, said that the epidemic had "become a new, worrying, and growing additional complication" at a time when thousands of Burundians had fled to neighbouring countries to escape violence linked to the coming presidential election. "To date some 3,000 cases have been reported, and numbers are increasing at 300-400 new cases per day, particularly in Kagunga and nearby areas. At this rate, further cases can be expected over the next days and until the situation can be brought under control," he added. Preventive water and sanitation measures were essential, and the first two days of treatment were especially important, to rehydrate people. The UNHCR is working with the Ministry of Health and leading a team response to the outbreak with UN and NGO partners, providing emergency health, water and sanitation measures.⁵³

⁵² "Singapore and Malaysia test chemical-spill readiness in joint exercise", *The Strait Times*, May 14, 2015, at <http://www.straittimes.com/singapore/environment/singapore-and-malaysia-test-chemical-spill-readiness-in-joint-exercise>

⁵³ "Cholera epidemic claims 31 lives in Tanzania, including 29 Burundian refugees", *UNHCR*, May 22, 2015, at <http://www.unhcr.org/555f013e9.html>

About the IDSA

Africa, Latin America, Caribbean & UN Centre

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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