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# Indian Ocean Watch

*A Monthly Newsletter on the Indian Ocean Region*



**idsa**

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<b>Contents</b>	<b>Page No</b>
EDITOR'S NOTE	2
MARITIME SECURITY	3
ECONOMIC COOPERATION	6
ENVIRONMENTAL CONCERNS/ DISASTER RISK MANAGEMENT	9

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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

## **Disclaimer**

This newsletter does not reflect the views of IDSA. IDSA is not responsible for the accuracy and authenticity of the news items.

## EDITOR'S NOTE

The month of May 2013 was a crucial month for India as it enhanced its defence and military ties with two other Indian Ocean countries, Australia and Thailand. In addition, India also opened its first Sukhoi airbase in South India to keep strategic vigil over the Indian Ocean. Meanwhile, Yemen, in order to stop arms proliferation and smuggling into the country, called on countries in the region to cooperate. On separate occasions, the European Union and the United Nations approved funds to support anti-piracy efforts in the region.

On the economic cooperation front, Mauritius is inviting investments from Indian companies by projecting itself as a 'tax-free gateway to Africa'. Separately, a bilateral air transport accord was signed between Mozambique and the UAE which will boost trade and investment between both the countries. Meanwhile, the port of Singapore was judged the best seaport in Asia for a record 25th time. In other developments, China offered Sri Lanka about US\$ 2.2 billion in loans for infrastructure projects and a free trade pact.

The month of May also witnessed Australia lending its expertise to other Indian Ocean region countries in developing ocean forecasting in the region. According to reports, China has donated 50,000 bed kits to Seychelles Disaster Fund. Meanwhile, multinational company, Google has invested in a photovoltaic plant in South Africa and after completion, the project will be one of the largest solar installations in Africa.

We look forward to comments and suggestions from our readers.

**Ruchita Beri**

**Editor**

## MARITIME SECURITY

### India and Australia strengthen defence ties

In May 2013, India's Defence Minister travelled to Australia which marked the first visit by an Indian Defence Minister to the country. The visit was intended to forge new military ties between the two nations and also to discuss cooperation between the navies of the two countries. The Indian Navy too formalised its participation in an international fleet review conducted by Australia and the two countries agreed to examine the possibility of undertaking a full-fledged bilateral naval exercise in the future.<sup>1</sup>

### India opens first Sukhoi base in the south

The Indian Defence Minister, A K Antony inaugurated an airbase in Thanjavur, Tamil Nadu which will become home to a Sukhoi squadron in some years. This will be the first base in South India for the Sukhoi squadron and will keep a strategic vigil over the Indian Ocean.<sup>2</sup>

### India and Thailand strengthen defence collaboration

During Indian Prime Minister, Manmohan Singh's visit to Thailand, his Thai counterpart, Yingluck Shinawatra, Thailand expressed the country's interest in the Indian defence industry and both the countries agreed to pursue defence industry collaboration in areas of mutual interest. The countries also agreed to scale up the regular Co-ordinated Patrol conducted by the Indian Navy and the Royal Thai Navy. They

also agreed to enhance anti-piracy cooperation, promote security of sea lanes and Coast Guard cooperation to contribute to the maintenance of peace in the region and to work towards ensuring safety and security of navigation in the Indian Ocean.<sup>3</sup>

### Indian warship flotilla visits Malaysia

A flotilla of Indian warships conducted a five-day visit to Malaysia as part of a four-country visit to the region. The visit complements India's policy to strengthen ties with South-east Asia. The flotilla includes stealth frigate *INS Satpura*, the Rajput class destroyer *INS Ranvijay* and the replenishment vessel *INS Shakti*. The warships carried out the Singapore-Indian Maritime Bilateral Exercise and then moved to Malaysia. They are scheduled to visit Vietnam and Philippines before returning to India at the end of June. The battleships were slated to carry out a passage exercise with the Malaysian Navy that will contribute towards maintaining peace and maritime security in the region. Eastern Fleet Commander, Rear Admiral Ajith Kumar who led the vessels has said that the exercise "encompasses conventional war time drills and cooperative military action against unconventional threats in the maritime domain".<sup>4</sup>

### More Somali pirates repatriated

A group of eight convicts were repatriated to Puntland as part of the continuing programme to send Somalis convicted of piracy in Seychelles back to their country. They would serve out the remainder

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<sup>1</sup> "India to forge new military ties with Australia", *Deccan Herald*, June 24, 2013 at <http://www.deccanherald.com/content/335655/india-forge-military-ties-australia.html>

<sup>2</sup> "Thanjavur airbase to have Sukhoi squadron", *The Hindu*, May 22, 2013 at <http://www.thehindu.com/news/national/thanjavur-airbase-to-have-sukhoi-squadron/article4736822.ece>

<sup>3</sup> "India, Thai PMs agree to strengthen defence ties", *Gulf Times*, May 30, 2013 at <http://www.gulf-times.com/india/185/details/354504/india-thai-pms-agree-to-strengthen-defence-ties>

<sup>4</sup> "Indian Navy Warships Call On South-east Asia", *Bernama*, May 29, 2013 at <http://maritime.bernama.com/news.php?id=952647&lang=en>

of their sentences in the Basaso Prison. This arrangement and operation for repatriation of the imprisoned pirates has been made possible by the diplomatic efforts between the Seychelles government and the Puntland authorities. It is also expected that another group of pirates currently incarcerated at the Montagne Posée prison would also be transferred soon.<sup>5</sup>

### **Modern Centre for Marine Accident Rescue Operations to be set up in Dar es Salaam**

A Modern Maritime Rescue Coordination Centre with ultra-modern equipments is to be set up in Dar es Salaam. The modern automatic identification and tracking systems will be able to reach some of the areas even beyond the Indian Ocean. The marine accident rescue personnel would also be well trained in the event of an accident. The government's National Aeronautical and Maritime Search and Rescue Plan is in the final stages now. The plan intends to provide guidelines on the procedures to be followed in rescue missions. The upcoming centre would be in charge in case of any accident. It will operate in collaboration with the Navy and other forces as per their proximity from the site of accident.<sup>6</sup>

### **Tanzanian shipping stakeholders back proposed regulations**

A proposal by the Surface and Marine Transport Regulatory Authority over rules and regulations set to oversee safety and curb the increasing marine accidents has been jointly supported by the stakeholders in the shipping industry. The stakeholders have agreed that all vessel operators, prior to operating, have to meet the specified set of requirements. Dealing with defiant and

unprofessional vessel operators will become easy with these regulations which will also help curb accidents that occur due to negligence. The regulations will bring about better training and qualification of the employees engaged in the industry and passenger safety. The compliance with these rules is in line with the 17 international conventions on marine transport.<sup>7</sup>

### **Yemen calls for regional cooperation to tackle maritime issues**

A Yemeni official has confirmed that arms smugglers are using Red Sea islands to facilitate their activities. Among the smugglers are Iranian nationals suspected of storing and smuggling illegal arms to the Houthis rebels in the Sa'ada Governorate in northern Yemen. Arms smuggling has proliferated in this region for political and security reasons, and for financial benefit. The official has warned that some of these arms are redirected to neighbouring countries. Among the cache of weapons found on an Iranian-registered ship intercepted by the Yemeni coastguard earlier this year were anti-aircraft missiles, Katyusha rockets, rocket-propelled grenade launchers, and ammunition. Arms are frequently smuggled from Africa, across the Red Sea, to islands off the coast of Djibouti, and then to Yemen. Yemen has acknowledged that its coastguard is lacking in equipment and training to tackle the issue, and has called on regional countries to cooperate to stop arms proliferation and smuggling into Yemen.<sup>8</sup>

### **EU provides 37 million Euros for fight against piracy**

The European Union will provide 37 million Euros to strengthen the fight against piracy in many Eastern and Southern African countries through support for the Programme to promote Regional Maritime

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<sup>5</sup> "Eight more Somali pirates flown home", *Seychelles Nation*, May 15, 2013 at <http://www.nation.sc/index.php?art=31516>

<sup>6</sup> "Dar to get Modern Centre for Marine Accident Rescue Operations", *Daily News Online*, May 21, 2013 at <http://dailynews.co.tz/index.php/parliament-news/17660-dar-to-get-modern-centre-for-marine-accident-rescue-operations>

<sup>7</sup> "Shipping industry back proposed marine regulations", *Daily News Online*, May 27, 2013 at <http://www.dailynews.co.tz/index.php/local-news/17886-shipping-industry-back-proposed-marine-regulations>

Security. According to a press release, the European support marks a step forward in the fight against piracy and is part of its comprehensive approach to assisting countries in the region.<sup>9</sup>

### UN fund for war against piracy

The United Nations has approved about US\$1.96 million to support the anti-piracy efforts. The fund is to ensure the protection of human rights, health and safety of suspected pirates and also to equip the youth in Somalia with skills for preventing them from committing crimes.<sup>10</sup>

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<sup>8</sup> “Yemen Seeks Maritime Arms Smuggling Crackdown”, *Yahoo News*, May 23, 2013 at <http://en-maktoob.news.yahoo.com/yemen-seeks-maritime-arms-smuggling-crackdown-135349181.html>

<sup>9</sup> “EU to provide over 37 million Euros to fight piracy in Eastern and Southern Africa”, *European Commission Press Release*, May 21, 2013 at [http://europa.eu/rapid/press-release\\_IP-13-447\\_en.htm?locale=en](http://europa.eu/rapid/press-release_IP-13-447_en.htm?locale=en)

<sup>10</sup> “UN boosts war against piracy”, *The Star*, May 3, 2013 at <http://www.the-star.co.ke/news/article-118990/un-boosts-war-against-piracy>

## ECONOMIC COOPERATION

### India to send labour to Thailand

India plans to send its labour to Thailand for projects undertaken by Thai firms in other countries. During Indian Prime Minister Manmohan Singh's visit to Thailand, he and his Thai counterpart agreed to discuss a proposal for the establishment of a framework to enable regulated deployment of labour from India into required sectors in Thailand.<sup>11</sup>

### Kenya lacks qualified seafarers

According to the Kenya Maritime Authority (KMA), Kenya lacks qualified and well trained seafarers to capitalise on employment opportunities in the sector. The majority of Kenyan seafarers lack recognised certificates to get an employment in the industry. Therefore, the Kenyans have not yet penetrated into the market despite their country's recent entry into the International Maritime Organisation's white list of countries recognised to offer maritime training. According to the KMA director general, this state of affairs can be attributed to the failure by shipping companies to offer onboard training opportunities for maritime trainees.<sup>12</sup>

### Mauritius invites investments from Indian companies

Mauritius seeks investments from a large number of Indian companies for setting up businesses in the country as well in other African countries. Mauritius, which is projecting itself as a 'tax-free gateway to

Africa' is also promising a host of other benefits to Indian companies that route their investments to various African nations through its soil. The sectors that Indian companies could invest in include education, space, ICT (Information, Communications and Technology), BPO (Business Process Outsourcing), medical, deep sea mining and ocean economy.<sup>13</sup>

### Mozambican President visits China

President Armando Guebuza of Mozambique was on a weeklong visit to China which ended on May 19, 2013. During the visit, he met with senior Chinese political and administrative figures and business leaders. Rejecting the claims that China was re-colonising Africa, he pointed out that China is a friend of Mozambique with a proven intention to build a relationship based on mutual gains. President Guebuza presented a portfolio of over a hundred projects for roads, railway lines, ports, schools and higher education in need of funding with a total budget of over US\$10 billion.<sup>14</sup>

### Mozambique-UAE air transport accord

A bilateral air transport accord was signed between Mozambique and the United Arab Emirates on May 16, 2013. The agreement will lead to growth of trade and investment and the development of partnerships in sectors like tourism and pave the way for airlines to get involved in the movement of passengers and cargo. The agreement is the culmination of more

<sup>11</sup> "Indian labour for Thai firms soon", *Hindustan Times*, May 30, 2013 at <http://www.hindustantimes.com/world-news/RestOfAsia/Indian-labour-for-Thai-firms-soon/Article1-1068649.aspx>

<sup>12</sup> "Kenya in need of seafarers", *The Star*, May 22, 2013 at <http://www.the-star.co.ke/news/article-121308/kenya-need-seafarers>

<sup>13</sup> "Mauritius seeks more investments from Indian firms", *The Economic Times*, May 26, 2013 at [http://articles.economictimes.indiatimes.com/2013-05-26/news/39538278\\_1\\_port-louis-mauritius-indian-ocean](http://articles.economictimes.indiatimes.com/2013-05-26/news/39538278_1_port-louis-mauritius-indian-ocean)

<sup>14</sup> "President Guebuza visits China in search of investment", *All Africa*, May 27, 2013 at <http://allafrica.com/stories/201305280274.html>

than seven years of negotiations and consultations. The final round of discussions was held on May 14 and 15, in Dubai.<sup>15</sup>

### **Seychelles eyes on tourists from Latin America**

South America is set to become one of Seychelles' main tourism markets. The Seychelles Tourism Board (STB) delegation which took part in the World Travel Market is very optimistic that visitor arrival from this part of the world, especially Brazil, is expected to grow at a faster rate than initially envisaged. The Brazilian travel industry feels that Seychelles can be the new exotic destination for the Brazilian traveller. The volume of long-haul vacationers and first-time visitors is increasing in Brazil and Seychelles has the potential to tap into the strong Brazilian market. The announcement of the appointment of Global Vision Access, a well-established tourism representation company based in Sao Paulo, as Seychelles' official representation company in Brazil and Latin America confirms the country's interest in the Latin American tourism market. The company will act as STB's office in Brazil and Latin America.<sup>16</sup>

### **Port of Singapore crowned best seaport in Asia**

The 27<sup>th</sup> Asian Freight and Supply Chain Awards has crowned the Port of Singapore as the Best Seaport in Asia for a record 25<sup>th</sup> time. The port was recognised for its "cost competitiveness, container shipping-friendly fee regime, provision of suitable container shipping-related infrastructure, timely and adequate investment in new infrastructure, and facilitation of ancillary services including logistics and freight forwarding facilities". The port achieved record

figures in these areas despite uncertainties in the global maritime industry. Singapore is also the world's top bunkering port registering high bunker sales volumes.<sup>17</sup>

### **WAYN network votes South Africa as the dream destination**

Members of the world's largest travel and lifestyle social network "Where Are You Now?" (WAYN) voted South Africa as the top destination. A total of 78,000 votes were counted for all seven of the destinations. In the network's dream destination competition, the country beat Brazil, India, Dubai, Fiji, Turkey and Indonesia with 15,300 votes from members around the world. Selected through market research and tracking user engagement on WAYN, all the seven nominated countries and cities were extremely worthy contenders and dream destinations in their own right. The immense popularity of South Africa as a tourist destination has been reinforced by this competition, and the activity correlates with the recent announcement by President Jacob Zuma that the amount of foreign visitors to South Africa has grown by 300 per cent to 13.5-million visitors, 9.2-million of which were tourists.<sup>18</sup>

### **New air services arrangement between Seychelles and South Africa**

The Seychelles Civil Aviation Authority (SCAA) and South Africa's department of transport concluded a liberal and flexible air services arrangement intended to improve connectivity in the region and beyond. With the coming into place of a code share arrangement between Air Seychelles and South

<sup>15</sup> "Mozambique signs air transport accord with UAE", *All Africa*, May 27, 2013 at <http://allafrica.com/stories/201305280307.html>

<sup>16</sup> "South America – a growing tourism market for Seychelles", *Seychelles Nation*, May 4, 2013 at <http://www.nation.sc/index.php?art=31381>

<sup>17</sup> "Singapore Retains Crown As Best Seaport In Asia", *Bernama*, May 10, 2013 at <http://maritime.bernama.com/news.php?id=948708&lang=en>

<sup>18</sup> "South Africa voted top dream destination", *SouthAfrica.info*, May 13, 2013 at <http://www.southafrica.info/business/success/wayn-130513.htm#.UayETdhmPz4>

African Airways, Seychelles and South Africa are strengthening ties in the air traffic domain. Air Seychelles recently increased the number of flights to South Africa. The new arrangement has established the framework necessary to facilitate growth in people and cargo traffic. The SCAA is working closely with the Ministry of Foreign Affairs, Air Seychelles, the Ministry of Home Affairs, Ministry of Transport, and the relevant foreign agencies in order to push several other similar agreements.<sup>19</sup>

### **China loans out US\$ 2.2 billion to Sri Lanka for infrastructure projects**

Sri Lanka was offered about US\$ 2.2 billion in loans for infrastructure projects and a free trade pact by China. The two countries also agreed on US\$ 1.5 billion in private-sector investment in the northern express highway of Sri Lanka. There was further agreement on the development of the port of Colombo. Sri Lanka and China also agreed on cooperation related to defence, logistics and maritime security and defence-related training.<sup>20</sup>

### **South African Aveng Group expands in Mozambique**

The South African Aveng Group is responding to rapid economic growth by constructing a US\$17

million factory in Tete province of western Mozambique to produce materials for the country's infrastructure projects. As part of its expansion project, the group has opened an office in Maputo. At its full production capacity, the factory will produce 130,000 railway sleepers per year. The Mozambican government has identified a number of growth corridors where substantial investment is taking place which is providing opportunities in the development of ports, roads and railway lines. Aveng has recently been awarded a contract for the Nacala Corridor Project which entails carrying out earthworks, installing drainage and building bridges over a 62.5km section of rail track.<sup>21</sup>

### **Dubai's Jebel Ali port receives UN recognition for safety and security standards**

The Jebel Ali port in Dubai has been awarded the UN Department of Safety and security (UNDSS) certificate, the first such honour in the Middle East. The UNDSS has said that they were impressed by the high levels of safety and security implemented at the port, even exceeding standards set by the department in some areas. The UNDSS is seen as a benchmark for security management systems. The Jebel Ali Port is the biggest man-made container port in the world and is a key hub for global trade bridging Europe, the Middle East, Asia and Africa.<sup>22</sup>

<sup>19</sup> "Seychelles and South Africa renew air services arrangements", *Seychelles Nation*, May 16, 2013 at <http://www.nation.sc/index.php?art=31524>

<sup>20</sup> "China, Sri Lanka agree loans, defence; seek to ally Indian worries", *Reuters*, May 29, 2013 at <http://in.reuters.com/article/2013/05/29/china-srilanka-loans-idINDEE94S03U20130529>

<sup>21</sup> "South African company Aveng expanding in Mozambique", *All Africa*, May 16, 2013 at <http://allafrica.com/stories/201305200586.html>

<sup>22</sup> "Dubai's Jebel Ali Port Receives UNDSS Recognition", *Bernama*, May 28, 2013 at <http://maritime.bernama.com/news.php?id=952385&lang=en>

## ENVIRONMENTAL CONCERNS/ DISASTER RISK MANAGEMENT

### Australia helps Indian Ocean countries develop ocean forecasting

The Indian Ocean nations met in Australia to develop ocean forecasting in the region. Australia helped other nations with sophisticated forecasting methods that will eventually help ocean navigation, deal with natural disasters and monitor climate change. Bangladesh, India, Sri Lanka, Singapore among other countries attended the meeting.<sup>23</sup>

### NET stops road construction in Nairobi National Park

The construction of a section of the Southern Bypass in the Nairobi National Park has been stopped by a panel of the National Environment Tribunal (NET). The tribunal has also asked the Ministry of Roads and the Government to follow the law if it wishes to de-gazette the relevant section of the park. Following an appeal by the Africa Network for Animal Welfare, East Africa Wildlife Society and conservationist Dr Paula Kahumbu, the panel ruled that there was imminent threat of encroachment in the park if construction was allowed to continue.<sup>24</sup>

### Seychelles and Thailand sign agreement on botanical resources

Seychelles and Thailand have signed a memorandum of understanding for mutual visits by scientists, experts or technical personnel in the field of botany.

They will also be able to legally exchange the specimens of plants, seeds, seedlings and publications. Cooperation in research programmes and operation of joint training schemes for staff and members of the public in the field of horticulture, botany, ethno-botany, bio-technology, education and biodiversity conservation will also become possible. The agreement also started the installation of a Thai garden on the grounds of the Botanical Gardens.<sup>25</sup>

### 50,000 Chinese bed kits donated to Seychelles Disaster Fund

A donation of bed kits worth US\$ 85,000 by the Weihua Group, one of China's biggest companies and a leader in the field of cranes and port development, has been given to the Seychelles Disaster Fund. The 50,000 kits are currently being shipped to Seychelles. The Seychelles' Ambassador to China, Mr. Philippe Le Gall accepted the donation in a special ceremony and expressed the gratitude of the government of Seychelles and of all those who were affected by the disaster in January.<sup>26</sup>

### Care helps widen nature reserves in Seychelles

Through partnerships with hoteliers, the Seychelles Government's conservation efforts have been so successful that some of the key wetland areas have been extended rather than lost. Some other efforts have got some flora and fauna removed from endangered species' list. The government has

<sup>23</sup> "Indian Ocean nations meet in Aust on ocean forecasting", *ABC Radio Australia*, May 28, 2013 at <http://www.radioaustralia.net.au/international/radio/program/connect-asia/indian-ocean-nations-meet-in-aust-on-ocean-forecasting/1137268>

<sup>24</sup> "Tribunal halts construction of road in Nairobi National Park", *The Star*, May 30, 2013 at <http://www.the-star.co.ke/news/article-122490/tribunal-halts-construction-road-nairobi-national-park>

<sup>25</sup> "Seychelles and Thailand to share botanical resources", *Seychelles Nation*, May 11, 2013 at <http://www.nation.sc/index.php?art=31466>

<sup>26</sup> "Chinese company donates 50,000 bed kits to disaster fund", *Seychelles Nation*, May 13, 2013 at <http://www.nation.sc/index.php?art=31482>

carefully studied and identified which areas may be allowed for specific kinds of development and decisions are taken with a long term perspective. There are cases in which even some of the earlier decisions have been reversed after special and wider consultations with the experts.<sup>27</sup>

### Google puts money in South African Solar Energy

Google has invested in the Jasper photovoltaic plant near Upington in South Africa's Northern Cape Province. SolarReserve, a US solar energy project development firm, Intikon Energy and Kensani Group will fund and develop the project. The Jasper

project will be one of the largest solar installations in Africa after completion. It will be capable of generating enough electricity for around 30,000 homes. Google said that South Africa had the highest growth in clean energy investment in the world in 2012 as strong resources and supportive policies for renewable energy make it an attractive place to invest. The project is a part of South African government's Renewable Energy Independent Power Producer Procurement Programme that aims to generate more than 3,000 megawatts of electricity from renewable energy sources. Some of the projects being developed through the programme have the potential to transform the South African energy scenario.<sup>28</sup>

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<sup>27</sup> "Keen care of nature helps widen reserves", *Seychelles Nation*, May 17, 2013 at <http://www.nation.sc/index.php?art=31528>

<sup>28</sup> "Google invests in SA renewable energy", *SouthAfrica.info*, May 31, 2013 at <http://www.southafrica.info/about/sustainable/google-310513.htm#.UbYbG9hmPz4>

## 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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