

## Featured *MSP* Guest Column:



### **MSP Guest Column:**

Japan's Defense Budget and its Impact on  
Maritime Defense Posture

— p. 4

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

China's aircraft carrier uses real weapons in drill

— p. 5

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

China seizes U.S. underwater drone in South  
China Sea

— p. 7

### **Shipping, Ports, and the Maritime Economy:**

Rough seas for Singapore shipping: What it will  
take to ride out the waves

— p. 9

# Table of Contents

<b>MSP GUEST COLUMN</b>	<b>4</b>
Japan's Defense Budget and its Impact on Maritime Defense Posture	4
<b>NAVAL DEVELOPMENT AND POLICY</b>	<b>5</b>
China's aircraft carrier uses real weapons in drill	5
British fighters to overfly South China Sea; carriers in Pacific after 2020-envoy	5
Indian Navy keeping a close eye on Chinese ships in IOR: Navy chief Sunil Lanba	5
Exclusive: Risking Beijing's ire, Vietnam begins dredging on South China Sea reef	5
US use of Philippines for sea patrols unlikely	5
No Change in U.S. Commitment to Asia-Pacific Under Trump, Admiral Says	6
EXCLUSIVE-China installs weapons systems on artificial islands - U.S. think tank	6
S. Korea starts building new 3,000-ton submarine	6
DCNS to Sign Next \$36B Australian Future Sub Program Contract in Fall	6
N. Korean Sinpo-class sub appears to have recently been to sea: 38 North	6
Navy conducts military exercise to defend Dokdo islets	6
Navy considers splitting fleet for better maritime operations	6
More Chinese missiles bound for disputed islands	6
Military blasts signal with Taiping artillery demo	6
No more Phl-US military exercises in SCS	6
<b>MARITIME SAFETY AND SECURITY</b>	<b>7</b>
China seizes U.S. underwater drone in South China Sea	7
Philippines' 2nd 44-meter multi-role vessel arrives from Japan	7
Shootout drama at sea with Filipino gunmen off Sabah	7
India, Bangladesh coast guards discuss security of Bay of Bengal	7
China, Japan agree on early launch of air, maritime contact system	7
Pakistan acquires two maritime patrol vessels from China	8
Japan protests against China's allegations of dangerous conduct by fighter jets	8
Special force set up to guard Gwadar port's sea lanes	8
Cooperation pushes back Abu Sayyaf group: Official	8
Indonesia ratifies sea border agreement with Singapore	8
Coast guards of Philippines, China vow to enhance cooperation	8
Japan, Indonesia to set up maritime forum	8
'Safety of Sabah waters a priority'	8
Fewer cases of piracy, robbery in Malacca Strait	8
Bangladesh border guard accuses Myanmar navy of firing at fishing boat	8
<b>SHIPPING, PORTS, AND THE MARITIME ECONOMY</b>	<b>9</b>
Rough seas for Singapore shipping: What it will take to ride out the waves	9
Taiwan Shipping's Perilous Straits	9
Hyundai Merchant Marine will not join 2M alliance as operating partner - Maersk	9
Oil traders prepare flotilla to ship U.S. exports to Asia	9
Sittwe deep water port inauguration ceremony to take place next month	9
Big rate hikes elude trans-Pacific shipping lines	10
'Pakistan does not view Chabahar port as competition'	10
Singapore's mass flow metering systems mandate to change global maritime setting	10
China's island-building skills lift hopes in Duterte's backyard	10
More Asian defaults loom in 2017 amid Korea shipyard debt	10
Maersk Line and MSC expand aggressively in the Pacific	10
With deeper port, enormous cargo vessel docks at Chennai	10
'Court receivership was right decision for Hanjin': FSC chief	10
How hard will OPEC's production cuts hit tanker markets in 2017?	10
Asia's Nov imports of Iranian oil more than double from year ago	10

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### *Japan's Defense Budget and its Impact on Maritime Defense Posture*



#### **MSP Guest Columnist**

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Last month, the Japanese cabinet approved the draft defense budget for the 2017 fiscal year which records an increase for the fifth consecutive year to all-time high of 5.13 trillion Yen (US\$43.6 billion). While the new defense budget still needs legislative approval, it indicates Tokyo's efforts to strengthen the Japan Self-Defense Force (JSDF) under the National Defense Program Guidelines (NDPG) and the Medium Term Defense Program (MTDP) that emphasizes air-sea supremacy and joint capabilities.

For the Japan Maritime Self-Defense Force (JMSDF), the incremental platform acquisitions are expected to fulfil the formation realignments in the region-based destroyer and submarine divisions. The new budget states the construction of a new class of 3,000t submarines with improved capabilities for intelligence and reconnaissance. Other platform acquisitions are largely non-combat, such as the *Awaji*-class ocean minesweeper and the *Hibiki*-class ocean surveillance vessels.

More notable aspects are the upgrades to command, control, communications, computers, intelligence, surveillance and reconnaissance (C4ISR) equipment and weapons systems to strengthen existing platforms. For example, the budget devotes resources to the joint development of the Standard Missile-3 Block IIA with the US to strengthen the ballistic missile defense systems of the Aegis-equipped destroyers, as well as new longer-range ship-to-air missiles to enhance the JMSDF's vessels' air defense systems. Furthermore, the new budget also focuses on improving the operational lives of aging destroyers and patrol aircraft such as the P-3C and the SH-60J/K.

However, one must look at the budget in the context of the NDPG and the MTDP to properly understand the actual developments taking place. In platforms, the JMSDF will introduce the new class of Aegis-equipped destroyers to join the *Atago* and *Kongo*-class, and much is to be confirmed with the "new, compact-type hull destroyers with additional multifunctional capabilities" that resembles a littoral combat ship with minesweeping and anti-submarine warfare functions.

In equipment and weapons systems, the new budget highlights the research and development (R&D) of railguns, drones, artificial intelligence, as well as new ship-to-air, surface-to-ship, and air-to-ship missiles. Furthermore, the new budget also focuses on enhancing and streamlining Japan's defense industry and R&D of defense-related technologies that will have long-term dividends in sharpening the JSDF's capabilities.

Going forward, questions would point to what lies in store for the next MTDP for 2019-2023FY due in 2018. In the JMSDF, one can expect further acquisitions in platforms for maritime supremacy and joint operations such as new classes of destroyers, helicopter carriers, amphibious assault ship, littoral combat ships, submarines, and patrol aircraft. In addition, R&D of new technologies such as robotics and laser weapons systems to further enhance the JSDF's capabilities would also be on the agenda.

The significance of the JMSDF's capability developments on Southeast Asia varies. In the context of joint exercises and training, capacity building, and humanitarian assistance and disaster relief (HA/DR), the upgrades in the JMSDF will further enhance Japan's joint initiatives with the select ASEAN partners in regional maritime security. However, there are uncertainties when it comes to cooperation in actual contingencies. While Japan has much interest in ensuring freedom of navigation in the South China Sea, the situation will need to satisfy the newly determined three conditions for the use of force if the JMSDF is to take action.

The NTPG and the MTDP are essential in developing the JSDF's capabilities for the defense of Japan, and the budget for the next fiscal year is a step in that direction. However, the developments also have taken Japan's defense planning to a new level. Japan now faces new questions not only in the possible need to reconfigure the budget to finance future developments, but also addressing readiness issues that would require the formulation of operational and tactical doctrines – such as an indigenous air-sea battle concepts – to ensure effective and efficient utilization of capabilities.





CHINA | 15 DECEMBER | GLOBAL TIMES

## China's aircraft carrier uses real weapons in drill

Chinese Navy Thursday revealed the details of a recent drill involving the country's first aircraft carrier, the Liaoning.

[Full Report](#)

UNITED KINGDOM | 2 DECEMBER | REUTERS

## British fighters to overfly South China Sea; carriers in Pacific after 2020-envoy

British fighter planes visiting Japan will fly over the South China Sea and Britain will sail aircraft carriers in the Pacific once they are operational in 2020, given concerns about freedom of navigation there, Britain's ambassador to the United States said on Thursday.

[Full Report](#)

INDIA | 2 DECEMBER | INDIAN EXPRESS

## Indian Navy keeping a close eye on Chinese ships in IOR: Navy chief Sunil Lanba

The Indian Navy on Friday said it was aware of the deployment and movement of Chinese naval ships and submarines in the Indian Ocean region, and that it has "kept a close eye" on them.

[Full Report](#)

VIETNAM | 9 DECEMBER | REUTERS

## Exclusive: Risking Beijing's ire, Vietnam begins dredging on South China Sea reef

Vietnam has begun dredging work on a disputed reef in the South China Sea, satellite imagery shows, the latest move by the Communist state to bolster its claims in the strategic waterway.

[Full Report](#)

THE PHILIPPINES-UNITED STATES | 9 DECEMBER | THE PHILIPPINE STAR

## US use of Philippines for sea patrols unlikely

It is highly unlikely the government would allow the US military to use the Philippines as a springboard for freedom of navigation patrols in the disputed South China Sea to avoid antagonizing China.

[Full Report](#)

*Continue on page 6*

Continued from page 5

UNITED STATES | 14 DECEMBER | THE NEW YORK TIMES

### **No Change in U.S. Commitment to Asia-Pacific Under Trump, Admiral Says**

The commander of United States military operations in the Asia-Pacific region said on Wednesday that America's commitment to the region would continue after Donald J. Trump became president, as would its opposition to Chinese expansion in the South China Sea.

[Full Report](#)

CHINA | 14 DECEMBER | REUTERS

### **EXCLUSIVE-China installs weapons systems on artificial islands - U.S. think tank**

China appears to have installed weapons, including anti-aircraft and anti-missile systems, on all seven of the artificial islands it has built in the South China Sea, a U.S. think tank reported on Wednesday, citing new satellite imagery.

[Full Report](#)

SOUTH KOREA | 14 DECEMBER | YONHAP

### **S. Korea starts building new 3,000-ton submarine**

South Korea on Wednesday kicked off a project to build a 3,000-ton submarine equipped with ballistic missiles, the state arms procurement agency said.

[Full Report](#)

AUSTRALIA-FRANCE | 20 DECEMBER | DEFENSE NEWS

### **DCNS to Sign Next \$36B Australian Future Sub Program Contract in Fall**

DCNS expects to sign the next Australian contract on the AU \$50 billion (US \$36 billion) Future Submarine Program in fall 2017, covering further design work on the planned attack boats, the French naval shipbuilder said Tuesday.

[Full Report](#)

NORTH KOREA | 20 DECEMBER | KOREA TIMES

### **N. Korean Sinpo-class sub appears to have recently been to sea: 38 North**

A North Korean Sinpo-class submarine that is capable of firing ballistic missiles, appears to have recently been out to sea although it is impossible to say whether such a move means an impending missile test, the U.S.-based 38 North said Tuesday.

[Full Report](#)

SOUTH KOREA | 21 DECEMBER | THE KOREA HERALD

### **Navy conducts military exercise to defend Dokdo islets**

South Korea's Navy on Wednesday conducted a

maritime drill to defend the country's easternmost islets of Dokdo in the East Sea, officials said, as Japan has laid persistent claims to the sovereign territory.

[Full Report](#)



MALAYSIA | 21 DECEMBER | NEW STRAITS TIMES

### **Navy considers splitting fleet for better maritime operations**

The Royal Malaysian Navy (RMN) is in the midst of restructuring its fleet to be divided into two; one for West Malaysia and another for East Malaysia operations.

[Full Report](#)

CHINA | 23 DECEMBER | FOX NEWS

### **More Chinese missiles bound for disputed islands**

China has sent more surface-to-air missiles from the mainland to the South China Sea, and the U.S. intelligence community anticipates these new missiles will eventually go to some of China's disputed territories for the first time, two U.S. officials tell Fox News.

[Full Report](#)

TAIWAN | 23 DECEMBER | THE CHINA POST

### **Military blasts signal with Taiping artillery demo**

In a joint effort with the Defense Ministry, the Coast Guard Administration completed an artillery firing demonstration on Taiping Island in the disputed South China Sea on Thursday.

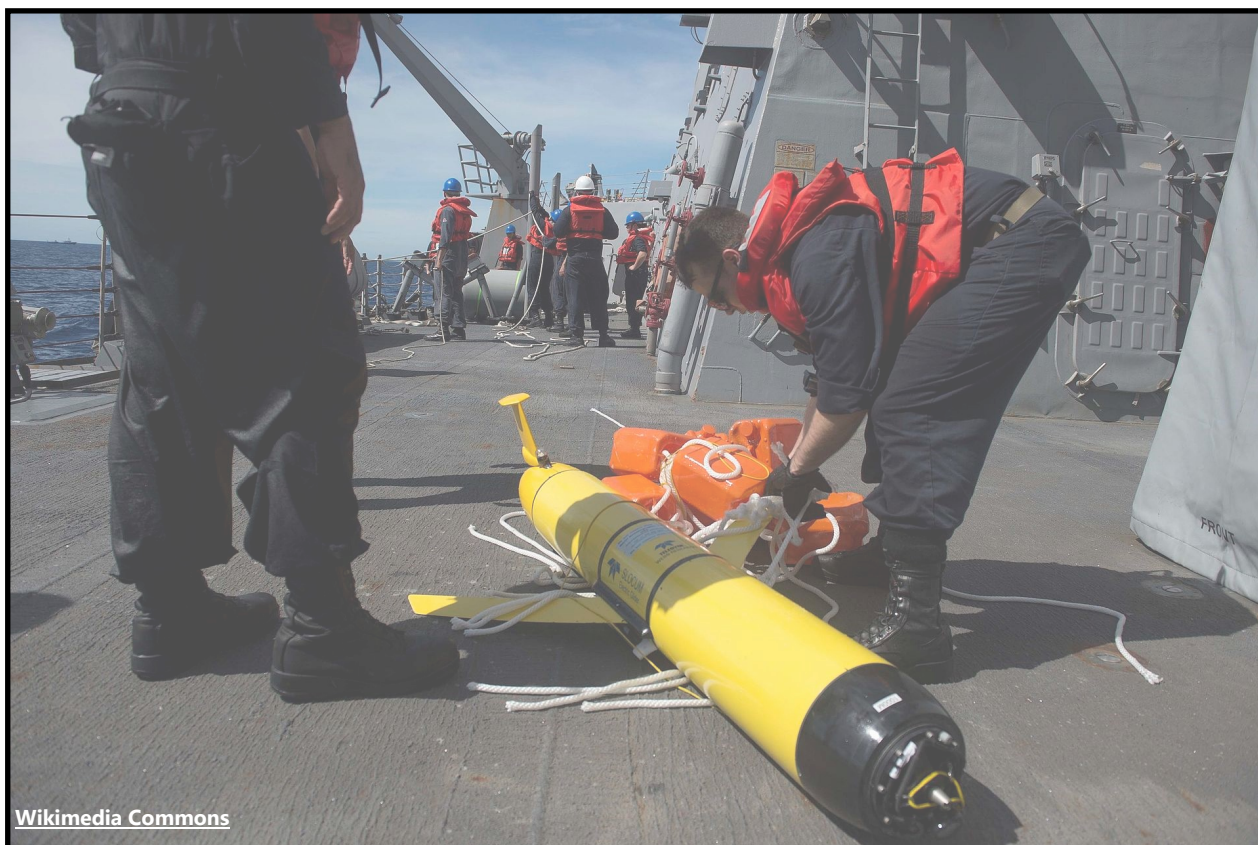
[Full Report](#)

THE PHILIPPINES-UNITED STATES | 31 DECEMBER | THE PHILIPPINE STAR

### **No more Phi-US military exercises in SCS**

President Duterte has ordered the transfer of the joint Philippines-US amphibian exercises from the West Philippine Sea to somewhere in the Mindanao Sea in a bid to avoid offending China, Defense Secretary Delfin Lorenzana said yesterday.

[Full Report](#)



CHINA-UNITED STATES | 16 DECEMBER | REUTERS

## China seizes U.S. underwater drone in South China Sea

A Chinese warship has seized an underwater drone deployed by a U.S. oceanographic vessel in the South China Sea, triggering a formal diplomatic protest and a demand for its return, U.S. officials told Reuters on Friday.

[Full Report](#)

THE PHILIPPINES | 8 DECEMBER | UPDATE.PH

## Philippines' 2nd 44-meter multi-role vessel arrives from Japan

The Philippine Coast Guard today welcomed its second Parola-class 44-meter multi-role response vessel, Barko ng Republika ng Pilipinas (BRP) Malabrigo. BRP Malabrigo is second of ten ordered 44-meter vessels from Japanese firm Japan Marine United.

[Full Report](#)

MALAYSIA | 9 DECEMBER | THE STAR

## Shootout drama at sea with Filipino gunmen off Sabah

It was a night of high drama at Sabah's east coast Darvel Bay when, for the first time, Malaysian security forces came into direct confrontation with Filipino gunmen involved in cross-border kidnappings.

[Full Report](#)

BANGLADESH-INDIA | 10 DECEMBER | HINDUSTAN TIMES

## India, Bangladesh coast guards discuss security of Bay of Bengal

To increase bilateral co-operation along the coastal border, Bangladesh Coast Guard's (BCG) chief on Saturday discussed security issues with Indian Coast Guard officials in Kolkata.

[Full Report](#)

CHINA-JAPAN | 10 DECEMBER | XINHUA

## China, Japan agree on early launch of air, maritime contact system

China and Japan have agreed to work for the creation of an air and maritime contact system between their defense ministries as early as possible.

[Full Report](#)

*Continue on page 8*



PAKISTAN | 11 DECEMBER | DAILY PAKISTAN

### **Pakistan acquires two maritime patrol vessels from China**

Two maritime patrol vessels built in China for Pakistan Maritime security agency, PMSS Hingol and PMSS Basol, were commissioned at an impressive ceremony at Guangzhou on Thursday.

[Full Report](#)



CHINA-JAPAN | 12 DECEMBER | REUTERS

### **Japan protests against China's allegations of dangerous conduct by fighter jets**

Japan said on Monday it had protested strongly against China's allegations its fighter jets had engaged in "dangerous and unprofessional" behaviour when they scrambled at the weekend as Chinese aircraft flew between Okinawa and Miyako islands.

[Full Report](#)

PAKISTAN | 12 DECEMBER | DAWN

### **Special force set up to guard Gwadar port's sea lanes**

Pakistan Navy has assembled 'Task Force-88' (TF-88) for the seaward security of Gwadar port and protection of associated sea lanes against both conventional and non-traditional threats.

[Full Report](#)

INDONESIA-THE PHILIPPINES | 14 DECEMBER | THE JAKARTA POST

### **Cooperation pushes back Abu Sayyaf group: Official**

Following the rescue of two more sailors, Indonesia's maritime security agreement with the Philippines has seemingly succeeded in pushing back a notorious band of militants responsible for a spate of kidnappings in shared waters.

[Full Report](#)

INDONESIA-SINGAPORE | 15 DECEMBER | CHANNEL NEWSASIA

### **Indonesia ratifies sea border agreement with Singapore**

The Indonesian parliament on Thursday (Dec 15) ratified a sea border treaty with Singapore demarcating maritime boundaries in the eastern stretch of the Singapore Strait.

[Full Report](#)

CHINA-THE PHILIPPINES | 16 DECEMBER | XINHUA

### **Coast guards of Philippines, China vow to enhance cooperation**

The Philippines Coast Guard (PCG) and the China Coast Guard (CCG) agreed to strengthen cooperation and mutual trust in certain maritime issues, according to a joint statement released on Friday in Manila.

[Full Report](#)

INDONESIA-JAPAN | 20 DECEMBER | THE JAKARTA POST

### **Japan, Indonesia to set up maritime forum**

The Japanese and Indonesian governments are set to establish on Wednesday the Japan-Indonesia Maritime Forum, in which the two countries will discuss maritime cooperation.

[Full Report](#)

MALAYSIA | 20 DECEMBER | THE STAR

### **'Safety of Sabah waters a priority'**

Tactic changes spelt success for Malaysian security forces when three kidnap-for-ransom group members were killed near here about two weeks ago, the Prime Minister said.

[Full Report](#)

INDONESIA-MALAYSIA-SINGAPORE | 23 DECEMBER | THE STRAITS TIMES

### **Fewer cases of piracy, robbery in Malacca Strait**

The seas around the Strait of Malacca and Singapore have become safer, a situation experts attribute to increased enforcement against pirates in what is one of the world's busiest trade routes.

[Full Report](#)

BANGLADESH-MYANMAR | 28 DECEMBER | REUTERS

### **Bangladesh border guard accuses Myanmar navy of firing at fishing boat**

Bangladesh's border guard accused the Myanmar navy on Wednesday of opening fire on a fishing boat in the Bay of Bengal, underlining tensions over a refugee crisis.

[Full Report](#)





SINGAPORE | 29 DECEMBER | CHANNEL NEWSASIA

## **Rough seas for Singapore shipping: What it will take to ride out the waves**

It has not been smooth sailing for the global shipping industry.

[Full Report](#)

TAIWAN | 4 DECEMBER | BLOOMBERG

## **Taiwan Shipping's Perilous Straits**

While the global container industry has embarked on a spree of pairings and menages-a-trois over the past 12 months, many of Asia's shipping lines have remained proudly single.

[Full Report](#)

ASIA | 8 DECEMBER | REUTERS

## **Hyundai Merchant Marine will not join 2M alliance as operating partner - Maersk**

Korean line Hyundai Merchant Marine Co Ltd is no longer under consideration to join the 2M vessel-sharing alliance, according to Danish shipper Maersk Line.

[Full Report](#)

UNITED STATES | 9 DECEMBER | REUTERS

## **Oil traders prepare flotilla to ship U.S. exports to Asia**

Oil traders and major producers are lining up a flotilla of carriers to ship more U.S. crude to Asia in December than in nearly two decades as higher prices offer a rare opportunity to boost sales to the region.

[Full Report](#)

INDIA-MYANMAR | 12 DECEMBER | MIZZIMA

## **Sittwe deep water port inauguration ceremony to take place next month**

A deep-water port built in Myanmar's Sittwe on the Bay of Bengal by India is ready to be commissioned.

[Full Report](#)

*Continue on page 10*

GLOBAL | 12 DECEMBER | NIKKEI

### **Big rate hikes elude trans-Pacific shipping lines**

Three months on since the bankruptcy of South Korean carrier Hanjin Shipping, container vessel rates for big freight owners have yet to rise substantially, due in part to overcapacity.

[Full Report](#)

PAKISTAN | 16 DECEMBER | THE EXPRESS TRIBUNE

### **'Pakistan does not view Chabahar port as competition'**

In a bid to pacify growing anxiety regarding the development of Chabahar port by Iran and India, Minister for Planning, Development and Reform Ahsan Iqbal has said that Pakistan does not look at the port's progress as competition but a development that complements the China-Pakistan Economic Corridor (CPEC).

[Full Report](#)

SINGAPORE | 19 DECEMBER | PLATTS

### **Singapore's mass flow metering systems mandate to change global maritime setting**

Singapore's mass flow metering systems mandate for marine fuel oil deliveries will kicked off in 2017.

[Full Report](#)

THE PHILIPPINES | 21 DECEMBER | BLOOMBERG

### **China's island-building skills lift hopes in Duterte's backyard**

Among the first to gain from Philippine President Rodrigo Duterte's China pivot could be the people who live on rickety wooden stilt-houses in a waterlogged area of his hometown of Davao City.

[Full Report](#)

ASIA | 22 DECEMBER | BLOOMBERG

### **More Asian defaults loom in 2017 amid Korea shipyard debt**

As if investors in Asia's troubled corporate bond markets don't have enough to worry about, concern is mounting about whether South Korean shipyards will be able to repay record amounts of debt coming due next year.

[Full Report](#)

ASIA-PACIFIC | 28 DECEMBER | SHIPPINGWATCH

### **Maersk Line and MSC expand aggressively in the Pacific**

The world's largest container carriers have expanded their Pacific network, causing problems for ailing South Korean partner Hyundai Merchant Marine, which according to Alphaliner is now left with an unrealistic

growth plan.

[Full Report](#)

INDIA | 28 DECEMBER | HELLENIC SHIPPING NEWS

### **With deeper port, enormous cargo vessel docks at Chennai**

After the shipping ministry's move to increase revenue at all major ports in India, Chennai port was deepened to accommodate larger vessels.

[Full Report](#)



SOUTH KOREA | 28 DECEMBER | THE KOREA HERALD

### **'Court receivership was right decision for Hanjin': FSC chief**

The government strictly maintains that principles regarding industrial restructuring and its decision on Hanjin Shipping's court receivership were reasonable, according to South Korea's top financial regulator on Tuesday.

[Full Report](#)

GLOBAL | 29 DECEMBER | HELLENIC SHIPPING NEWS

### **How hard will OPEC's production cuts hit tanker markets in 2017?**

The fourth quarter of 2016 is capping what has been a mixed 12 months for the tanker markets. The latest MSI Quarterly Tanker Market analysis finds that despite the cuts having a limited negative near-term impact, there are reasons to be positive on prospects for the longer-term.

[Full Report](#)

ASIA | 29 DECEMBER | HELLENIC SHIPPING NEWS

### **Asia's Nov imports of Iranian oil more than double from year ago**

Imports of crude oil by Iran's four major buyers in Asia in November more than doubled for a second straight month from a year ago, with purchases by India and South Korea more than four times higher.

[Full Report](#)