



ASEAN AND THE INDIAN OCEAN

THE KEY MARITIME LINKS

RSIS Monograph No. 33
July 2017

Edited by
Sam Bateman, Rajni Gamage
and Jane Chan

RSiS
Nanyang Technological University

S. RAJARATNAM
SCHOOL OF
INTERNATIONAL
STUDIES

RSIS MONOGRAPH NO. 33

ASEAN AND THE INDIAN OCEAN: THE KEY MARITIME LINKS

Edited by
Sam Bateman, Rajni Gamage and Jane Chan

S. Rajaratnam School of International Studies

Note

The views expressed in this document are not a reflection of the views and policies of any government but solely those of the authors. The document represents a compromise, rather than a consensus view, and the authors are not agreed on every single issue.

Copyright © 2017 each author for his or her own chapter

Published by

S. Rajaratnam School of International Studies

Nanyang Technological University

Block S4, Level B3, 50 Nanyang Avenue

Singapore 639798

Telephone: 6790 6982 Fax: 6794 0617

Website: www.rsis.edu.sg

First published in 2017

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior written permission of the S. Rajaratnam School of International Studies.

Produced by **BOOKSMITH**
(booksmith@singnet.com.sg)

ISBN 978-981-11-4168-3

TABLE OF CONTENTS

	Foreword	1
	Executive Summary	3
1	Introduction <i>Sam Bateman, Rajni Gamage and Jane Chan</i>	7
2	Prospects for Indian Ocean Regionalism <i>Kwa Chong Guan</i>	18
3	Indian Ocean Region Strategic Outlook <i>Anit Mukherjee</i>	21
4	Maritime Force Developments in the Indian Ocean Region <i>Koh Swee Lean Collin</i>	27
5	Maritime Cooperation in the Indian Ocean Region <i>Lee Cordner</i>	34
6	Current Trends in Southeast Asian Responses to the Belt and Road Initiative <i>Irene Chan</i>	42
7	The Indian Ocean and Indonesia's Global Maritime Fulcrum: Relevance to ASEAN <i>Ristian Atriandi Supriyanto</i>	52
8	Bay of Bengal: What Implications for ASEAN? <i>Rajni Gamage</i>	62

TABLE OF CONTENTS

9	Potential and Policies to Deepen Economic Integration in IORA <i>Pradumna Rana</i>	74
10	Blue Economy in the Indian Ocean Region: Status and Opportunities <i>Dominique Benzaken</i>	80
11	Conclusions and Recommendations <i>Sam Bateman, Rajni Gamage and Jane Chan</i>	91
Annex A	Trade between Selected ASEAN Countries and the IOR	105
Annex B	Comparative Levels of Human Development in the IOR	106
Annex C	Official Development Assistance Received by IOR countries	107
Annex D	List of Conflicts and Disputes in the IOR	108
Annex E	Shipping Routes in the IOR	109
Annex F	China's Belt and Road Initiative	109
	Biographies of Contributors and Editors	110
	List of Abbreviations and Acronyms	115

Foreword

Ambassador Ong Keng Yong

The Indian Ocean is of rapidly increasing strategic and economic vitality. It is at the crossroads of global economic powerhouses and major power posturing. While promising signs of greater trade and economic connectivity loom on the horizon, they are accompanied by sources of tension and insecurity, both new and existing. However, these challenges are not limited to the security front as contesting visions of regional order espoused by major powers have elements of economic competition and strategic rivalry intertwined in them. Such tensions are most likely to play out at sea, making the Indian Ocean a space with a pressing need for effective preventive diplomacy and conflict resolution mechanisms.

Southeast Asia sits amidst the strategic sea lanes connecting the Indian and Pacific Oceans. While the region's attention has been predominantly focused on its eastern seaboard, there have been calls for stronger links to be developed with actors to its west as well. Although developments in the South China Sea and East Asia will continue to captivate the best part of Southeast Asia's policy focus, the regional states are also coming to terms with their limited ability to influence great power dynamics and determine regional stability—whether at the bilateral or multilateral levels. While this uncertainty warrants greater diplomatic and political engagement, it is also in the interest of the region to diversify relations to its west. Admittedly, the Indian Ocean is too vast a space to be engaged with as a whole, at least initially. The more immediate attention can be directed to the most proximate section of the Indian Ocean, as well as to the key strategic locations in the region, particularly the Bay of Bengal.

Meanwhile, regional organisations in the Asia Pacific have, time and again, been advocated as models from which the Indian Ocean Region nations can learn. At the forefront are ASEAN and its related mechanisms, such as the ASEAN Regional Forum, the ASEAN Defence Ministers' Meeting, and the Expanded ASEAN Maritime Forum. While it remains true that

the Indian Ocean would benefit from more effective regional organisations to tackle maritime security threats, there remains much room for improvement within the maritime-related organisations in the Asia Pacific region as well. Important questions result from such analysis: How can these mechanisms hone their preventive diplomacy functions? How can they develop means of conflict resolution against unique national and regional interests/norms? How can the rhetoric of cooperation mature into actual implementation?

The recommendations in this monograph are timely contributions to the quest for a better management of the challenges in the Indian Ocean Region. It is hoped that these recommendations will be of great value to maritime security and intelligence professionals, policymakers, and academics.

Ambassador Ong Keng Yong

Executive Deputy Chairman

S. Rajaratnam School of International Studies

Nanyang Technological University

Executive Summary

The maritime links between Southeast Asia and the Indian Ocean Region (IOR) have strong historical origins. The Association of Southeast Asian Nations (ASEAN) states have been constantly aware of the importance of the security of the IOR maritime sea lanes, through which trade and energy transits from Europe, the Middle East, Central Asia, and Africa. However, the ASEAN states (especially those within the IOR) need to step up their involvement in regional arrangements and institution building in the IOR, whether in the area of maritime security or trade and development.

Against a volatile and fast-changing regional and global geopolitical landscape, and the accompanying uncertainties and mistrust in the international state system, most if not all tensions are likely to play out at sea. Non-traditional security threats, ranging from natural disasters to human smuggling, illegal fishing, and maritime terrorism, increase further the risks to regional maritime security and stability.

Many IOR states, however, lack both the capacity and commitment to address these issues. At the national level, these states face a myriad of internal political and economic challenges, which preclude effective regional/sub-regional initiatives. As the ASEAN states attempt to carve out a role for themselves in the region, they could play a constructive role in aiding the IOR to be better equipped in the face of emerging threats and challenges across a number of domains. This monograph includes recommendations on the actions that ASEAN as an institution, and individual ASEAN members, could take to help play that role in the IOR.

SUMMARY OF RECOMMENDATIONS

ASEAN centrality

- ▶ ASEAN should seek to maintain a central position in Indo-Pacific institution-building, including in the IOR.
- ▶ ASEAN countries, particularly those that are part of the IOR, should develop strategies for their relations with countries in the IOR.

Indian Ocean Rim Association (IORA)

- ▶ ASEAN as an organisation should continue to develop its links with the IORA, including exploring development and investment interests in the IOR.

Indian Ocean Naval Symposium (IONS)

- ▶ ASEAN members of the Western Pacific Naval Symposium (WPNS) should provide their experience with that organisation to help develop IONS.

Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC)

- ▶ The ASEAN countries that are part of the IOR but not at present members of BIMSTEC should seek to become members, or Dialogue Partners, of the latter.

Maritime security cooperation

- ▶ ASEAN as a whole, and/or individual member states and their maritime forces, should seek to play a meaningful yet sustainable role in preserving and enhancing regular IOR maritime security dialogues and targeted capacity-building assistance programmes.
- ▶ ASEAN members of the IORA should support efforts by the IORA Working Group on Maritime Safety and Security to build maritime domain awareness (MDA) in the IOR, including by applying best practice from information-sharing centres in ASEAN.

Sea robbery

- ▶ Relevant agencies in ASEAN should cooperate with the IORA Working Group on Maritime Safety and Security to produce a handbook on security in ports and anchorages.

Maritime natural disasters

- ▶ ASEAN members of the IORA should continue engaging actively with the IOR on areas of common maritime security interest, facilitating joint activities and hosting regional meetings to build the region's capacity for maritime policing and marine domain awareness.
- ▶ They should also develop joint measures for dealing with non-traditional security threats such as illegal, unreported and unregulated (IUU) fishing, climate change, and environmental security, under existing mechanisms or exploring new ones, which are all important to the pursuit of a "Blue Economy".

Trade and development

- ▶ ASEAN countries, especially those which are members of IOR regional institutions, should actively engage with the IORA on the development of a shared vision of the regional Blue Economy and of strategic priorities to guide future investment. They should realise that such engagement could serve as a means to secure their development interests.
- ▶ ASEAN and its member states should engage more deeply with the IOR states on the Blue Economy by:
 - (i) participating in and contributing to IOR technical fora;
 - (ii) assisting in improving maritime connectivity in the region;
 - (iii) collaborating with other regional institutions (such as the Indian Ocean Commission) to develop a joint ocean agenda; and
 - (iv) engaging actively in IOR maritime security initiatives (including maritime policing and MDA) for conservation of the oceans.

Marine scientific research

- ▶ ASEAN countries that are part of the IOR should collaborate with other IOR countries on the development of a regional marine research, knowledge, and innovation agenda, building on their respective capabilities and focusing on marine science, regional resource assessments, socio-economic intelligence, climate change, biotechnology, renewable energy technology, marine conservation, and ecosystem health.

Belt and Road Initiative (BRI)

- ▶ ASEAN should support China's BRI initiative, particularly in view of the opportunities it provides and its economic connectivity with the IOR.

Introduction

Sam Bateman, Rajni Gamage and Jane Chan

OBJECTIVE

Within the shifting global economic and geopolitical landscape of the 21st century, the “Indo-Pacific”, comprising an amalgamation of the Asia Pacific and the Indian Ocean Region (IOR), has been identified as the new, expanded theatre of power competition. Developments within the IOR and its surrounding waters have subsequently held the attention of policy and strategic analysts.

The IOR is central to the issue of energy security. Its sea lines of communication (SLOCs) are critically located as conduits for the transit of energy supplies from the Gulf states to the economic powerhouses of South and East Asia (see Annex E). With China projected to become the world’s largest oil importing country, and India to be the largest importer of coal by the 2020s, a reorientation of energy trade from the Atlantic basin to the Indo-Pacific is imminent, with implications for cooperative efforts to ensure energy security.¹

A number of the members of the Association of Southeast Asian Nations (ASEAN)—namely, Myanmar, Thailand, Malaysia, Singapore, and Indonesia—are IOR littoral states. The interlinked destinies of the two regions are most evident in the bilateral trade figures, which have been on an upward trajectory in the recent past.

The figures presented in Annex A demonstrate that trade between ASEAN IOR countries and the IOR countries in East Africa, the Middle East, and South Asia grew at an average rate of about 19.68 per cent over the period between 2008 and 2014. In Pradumna Rana’s contribution to this monograph, the primary recommendations for improved cross-regional

1 Anthony H. Cordesman and Abdullah Toukan, *The Indian Ocean Region: A Strategic Net Assessment*. Lanham, U.S.: Center for Strategic and International Studies (CSIS) and Rowman & Littlefield, 2014.

trade, however, are targeted towards the non-East Asian IOR members, because it is they who lag on policy actions and implementation, including trade and industrial liberalisation.

ASEAN has yet to make the IOR a policy agenda of significant priority, being preoccupied with the political and economic developments within the Asia Pacific, especially the South China Sea disputes. Ristiyan Supriyanto's paper illustrates this point, highlighting the gap between the Indonesian government's rhetorical enthusiasm for the Indian Ocean and the lack of a practical strategy to this end, as a result of domestic political and bureaucratic issues.

However, with the increasing forays made by China into the IOR and the subsequent great power plays in the region, especially in the maritime domain, this monograph proposes that ASEAN and its member states keep a pulse on its western seaboard and play a more active, constructive role in the IOR.

This monograph is a collection of short essays on the key opportunities and challenges for ASEAN states in the IOR. It identifies the implications of the latest developments in the IOR maritime domain for the ASEAN states, and recommends ways in which the latter can exploit opportunities and tackle challenges to maximise both the Association's and its member states' interests.

GEOPOLITICS

Most of the contributors to this monograph have flagged the increasing prominence that the IOR has gained as a potential arena for geopolitical rivalry, which will affect the ASEAN states, especially those that are also IOR littoral states.

India continues to be the dominant resident naval power in the IOR. Anit Mukherjee's paper delineates its Indian Ocean strategy as three-pronged: drawing closer ties with the United States and its allies; strengthening links with Indian Ocean littoral states; and internal balancing through building up its own military power. Such developments occur alongside, though not necessarily in response to, Chinese naval modernisation initiatives and expanding blue water capabilities in the region.

The expansion of the People's Liberation Army Navy (PLAN) in the IOR is primarily due to the large economic (and by extension, strategic) stakes China's developing economy has in the transit of trade and energy supplies through the critical SLOCs in the region. In 2016 alone, 173.9 million tonnes of oil were transported from the Middle East to China, and 52.4 million tonnes from Africa to China.²

Besides its burgeoning naval capabilities in the IOR, China's port development assistance in the region has led to concerns in India that these ports could provide refuelling stops for not just tankers but also warships, allowing the expansion and sustainment of PLAN presence in the IOR.³ The IOR littoral states rank rather low in terms of socio-economic indicators, and are therefore welcoming (and at the same time vulnerable) to major power economic and strategic initiatives (see Annexes B and C for figures on human development levels in the IOR and official development assistance to the region).

While Beijing has insisted that only commercial imperatives lie behind such initiatives, in February 2016, it began the construction of its first overseas military base in Djibouti. New Delhi views developments such as these with concern as it fears that China's establishment of naval bases in the Indian Ocean littoral in an alleged "String of Pearls" strategy is part of its larger policy of strategic encirclement centred on India. Alongside such dynamics, some newly active IOR players, such as Bangladesh and Myanmar, are also modernising their navies.

Feeding into this culture of mistrust are other external developments. Four of the world's top 15 military spenders are Indian Ocean littoral countries, whose expenditures amount to almost 10 per cent of the world's total in 2015.⁴ The IOR is also home to a number of inter- and intra-state conflicts—as of 2015, it has experienced a total of 138 conflicts and disputes (see Annex D).

2 "BP Statistical Review of World Energy," BP, June 2016, 19. Retrieved from <https://www.bp.com/content/dam/bp/pdf/energy-economics/statistical-review-2016/bp-statistical-review-of-world-energy-2016-full-report.pdf>.

3 In the Indian subcontinent, China has been undertaking port development assistance in the ports of Gwadar (Pakistan), Chittagong (Bangladesh), Hambantota and Colombo (Sri Lanka), and Kyaukpyu (Myanmar). Projects to be undertaken under China's Belt and Road Initiative framework in Africa are located in Bizerte, Tunisia; Dakar, Senegal; Dar es Salaam, Tanzania; Port of Djibouti, Djibouti; Libreville, Gabon; Maputo, Mozambique; and Tema, Ghana.

4 The four are Saudi Arabia, India, Australia, and the United Arab Emirates.

Some of the more recent destabilising incidents in the region include periodic tensions between China and India owing to alleged cross-border intrusions along their disputed border regions; continued Chinese military assistance to Pakistan in the midst of the September 2016 India-Pakistan military confrontation; and increased feelings of regional insecurity and antagonism generated by the South China Sea sovereignty disputes between China and some of its neighbouring states.

With India enhancing its defence links with major powers in the IOR, such as the United States, Japan, and Australia, there is a danger that China might feel “contained” and could react in a manner which exacerbates tensions. Moreover, the current state of flux in the new Trump administration’s policy towards Asia causes much uncertainty in the region. Although the risk of an actual major power conflict in the IOR is low at the moment, these developments do not augur well for long-term stability and security in the IOR.

Despite these worrying developments and their constraining effects on practical security cooperation, freedom of navigation, and stability in the IOR’s maritime domain is a fundamental interest of all major powers, given its criticality in global and regional trade and energy flows. It is, therefore, in the interest of all players in the IOR to look for ways to defuse tensions and to chart a path towards cooperative and mutually beneficial relations at sea.

REGIONAL INSTITUTIONS

One of the more frequent recommendations found within this monograph is for ASEAN to enhance inter-institutional linkages with the existing regional and sub-regional groups such as the Indian Ocean Rim Association (IORA) and the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC). This would help to develop an institutionalised setting which steers major powers into a cooperative relationship.

Compared to the Asia Pacific, there are relatively few multilateral initiatives in place in the IOR that are specifically designed to facilitate maritime cooperation. Existing architectures such as IORA and the Indian Ocean Naval Symposium (IONS) are still far from effective in tackling maritime issues in the region.

Lee Corder argues in his paper that although conceptualising the IOR as a unified entity is problematic from a maritime perspective, given

its various sub-regions with circumstances unique to themselves, there is a rising imperative for cooperation that spans the entire Indian Ocean. While recent capacity-building efforts by the maritime forces of individual IOR littoral states will potentially facilitate such region-wide cooperation, greater cross-regional, maritime security cooperation is also necessary in the interests of burden sharing and confidence building.

The dominant mode of maritime security cooperation in the IOR is that of bilateral or “mini-lateral” groupings as states tackle circumstances unique to their sub-regions. Koh Swee Lean Collin argues in his paper that comprehensive regional institutions like the IORA, therefore, face the challenge of identifying security issues which have broad acceptance in line with the political and operational sensitivities of member countries.

The “Blue Economy” for instance, as a multi-sectoral concept, provides such an avenue for a more integrated regional cooperation governance structure. Dominique Benzaken argues in her paper that the IORA has the potential to overcome the existing sector-based fragmentation of the region’s governance architecture by providing political leadership and assuming a coordination function, as well as by providing a forum for exchange and strategic policy development.

In fact, ASEAN is uniquely positioned to play a meaningful role in preserving and enhancing IOR security by facilitating practical security cooperation and sharing its experiences with IOR regional institutions. Ristian Supriyanto proposes in his paper that IORA import some of ASEAN’s expanded architectures. The ASEAN Maritime Forum (AMF), for example, has a focus on maritime safety and connectivity that resonates well with IORA’s agenda on improving maritime safety and security.

However, there are limits to the extent of ASEAN’s role in the IOR owing to the historical circumstances and evolving dynamics unique to the latter region. It is ultimately the IOR states that will have to collectively craft solutions in response to regional threats. Kwa Chong Guan suggests in his paper that these states face the challenging task of navigating between the two practices of regionalism in the Indian Ocean: state- and rule-driven regionalism versus a more pragmatic and flexible “shared regionalism”.

Greater ASEAN engagement with IOR institutions provides a credible springboard for an increased ASEAN presence in the IOR and further validates ASEAN’s centrality in Indo-Pacific strategic affairs. At the same

time, it is also in the interest of the ASEAN states to establish diversified relationships with IOR states so as to bring more balance to the region, while moderating tensions and insecurity and any potential conflict that may result from them.

MARITIME ECONOMY AND CONNECTIVITY

Blue Economy

The Indian Ocean's health and resources are critical to the region's economy and the well-being of dependent coastal populations. Blue Economy is the latest buzzword in the maritime economic realm and is about increasing human well-being through the sustainable development of ocean resources, while significantly reducing environmental risks and ecological scarcities.

While there already exist a number of national and regional initiatives in the IOR towards this end, Dominique Benzaken's paper advocates a strategic and cross-sectoral approach to development planning, transforming the business model of traditional ocean-based sectors towards greater sustainability and resilience, and at the same time, setting the necessary policy and regulatory framework, resource characterisation, and knowledge and technology agenda for those new and emerging sectors.

Belt and Road Initiative⁵

In recent years, a lot of policy and scholarly attention in Southeast Asia has been focused on China's proposed Belt and Road Initiative (BRI) (see Annex F) to increase connectivity between Asia, Europe, and Africa. As argued by Kwa Chong Guan, this initiative possibly heralds a new cycle of Indian Ocean regionalism driven by China.

Long wary of the "Malacca Dilemma", China has looked for alternative land- and sea-based routes. The opening in late 2016 of Gwadar Port, which is a land transport corridor linking Gwadar on the Arabian Sea to the Chinese city of Kashgar, as part of the China-Pakistan Economic Corridor (CPEC), is the latest development in this regard.

5 The Belt and Road Initiative (BRI) is more commonly known as the One Belt, One Road (OBOR) initiative outside of China. Both terms are used within this monograph in order to retain their context-specific meanings.

The chapter by Irene Chan highlights Southeast Asia's importance to China's BRI as the region is China's doorstep to the world. ASEAN has continued to give the BRI a cautious response, not having reached a complete consensus on the initiative, particularly on the potentially sensitive political-security issues. However, the author points out that the BRI does dovetail with ASEAN's efforts towards economic integration and recommends that ASEAN ensure its connectivity projects are competitive and relevant to the BRI. ASEAN, she argues, needs to maintain its centrality in regional integration with China or risk getting the entire regional grouping divided and sidelined.

MARITIME ISSUES

Where opportunities lie, risks arise—and the IOR SLOCs are vulnerable to a variety of non-traditional security threats. The interests of ASEAN and other Indian Ocean stakeholders, both internal and external, converge at sea. Given ASEAN's strategic location at the eastern end of the Indian Ocean SLOCs, as part of the inherently interconnected globalised maritime system, it is of critical importance that ASEAN plays a constructive role in all domains of IOR maritime cooperation.

Sea piracy

Piracy and armed robbery against ships continue to be of concern in the IOR, with a possible resurgence of attacks recently off Somalia. Meanwhile, attacks on ships in ports and anchorages in Bangladesh, India, and Indonesia are still a problem. Overall however, the International Maritime Bureau reported half the number of attacks in Indian Ocean countries in 2016, compared with those in 2015.⁶ This lower number of attacks was due to a marked reduction in attacks in Indonesia and Malaysia, and some improvement in Bangladesh.

As highlighted by Lee Corder in this monograph, ASEAN's collective interests in the IOR extend into a range of maritime issues, including the need to counter piracy and armed robbery against ships. Apart from incidents within the ASEAN region, ASEAN ship owners are affected by

6 ICC International Maritime Bureau (IMB), *Piracy and Armed Robbery against Ships—Annual Report for the Period 1 January – 31 December 2016*, January 2017, Table 1, 5.

attacks within the IOR, and several ASEAN countries have contributed to countering piracy off the coast of Somalia.

Maritime terrorism

A key area of vulnerability in Southeast Asia at present is the Sulawesi Sea, where a recent spate of maritime kidnappings by the Abu Sayyaf Group (ASG)—an Islamist terror group in southwestern Philippines—has led to concerns of maritime terrorism. These kidnappings serve as a source of both political capital and economic financing for the ASG (i.e. through ransoms and robbery).

The rise of Islamist radicalism in the region, with the Islamic State of Iraq and the Levant/Syria (ISIL/ISIS) officially recognising pledges of allegiance from several militant groups based in the Philippines, illegal, unreported and unregulated (IUU) fishing, and the transit of Rohingya refugees from Bangladesh and Myanmar to Southeast Asian states such as Indonesia and Malaysia all pose further opportunities for an increase in sea piracy and maritime terrorism.

The main conditions perpetuating this threat are the high levels of political disempowerment and economic hardships in the region. Meanwhile, the strong norms of sovereignty preclude the likelihood of joint operations, and, along with the lack of (or limited) coordination of anti-piracy operations between coastal forces and their law enforcement counterparts on land, are key challenges in tackling the threat.

IUU fishing and overfishing

Another key issue of concern within the IOR is the rapid depletion of fish stocks, owing to a combination of overfishing and illegal fishing. For instance, the Indian Ocean yellow-fin tuna is 94 per cent overfished, and the hilsa (*tenulosa ilisha*) catch has declined by around 90 per cent from 2000 to 2015 in the Bay of Bengal sub-region.⁷ Although the Indian Ocean Tuna

7 Jayanta Basu, “With Hilsa Fish Declining, Ganga Losing its Silver Sheen,” *The Wire*, 18 April 2016. Retrieved from <https://thewire.in/30142/with-hilsa-fish-declining-ganga-losing-its-silver-sheen/>; “Report of the 20th Session of the Indian Ocean Tuna Commission,” Indian Ocean Tuna Commission, La Reunion, France, 23–27 May 2016. Retrieved from <http://www.iotc.org/sites/default/files/documents/2017/02/IOTC-2016-S20-RE.pdf>, 64.

Commission was established 20 years ago, the lack of national criminalisation of illegal fishing generally across the region has precluded effective fisheries governance.

The practice of IUU fishing and overfishing has a number of potential negative impacts, for example on ecosystem health and food security. It can also affect inter-state relations when the maritime law enforcement agencies of one state act against IUU fishing vessels from another state. For instance, since the end of 2014, Indonesia has destroyed more than 317 fishing vessels bearing the flags of various nations.⁸

Coastal erosion

Climate change and sea level rise in the Indian Ocean are issues that warrant increasing policy attention, given their potential threat to low-lying coastal areas and coastal populations. Notably, Indian Ocean sea levels are rising unevenly and the coastlines of the Bay of Bengal and the Arabian Sea as well as the islands of Sri Lanka, Sumatra, and Java are particularly at risk. The resulting potential consequences are numerous: large-scale human displacement, refugee crises, loss of cultural and social environments, and complex problems of sovereignty and resettlement, to name a few.

Natural disasters

Being one of the world's most geologically active regions, the IOR is highly vulnerable to natural disasters, such as floods, drought, cyclones, tsunamis, earthquakes, and volcanoes. With climate change, extreme hydro-meteorological events are predicted to increase. Recent years have witnessed a number of such high magnitude disasters, including the 2011 Thailand floods (estimated damage of US\$40 billion or 10.8 per cent of GDP), the 2014 India floods (estimated damage of US\$16 billion or 0.79 per cent of GDP), and the 2015 Nepal earthquake (estimated damage of US\$5.7 billion or 24.77 per cent of GDP).⁹

8 "Jokowi Govt Destroys 317 Boats Fishing Illegally," *The Straits Times*, 3 April 2017. Retrieved from <http://www.straitstimes.com/asia/se-asia/jokowi-govt-destroys-317-boats-fishing-illegally>.

9 "Recent Significant Disasters in the Asia and Pacific Region," Asian Development Bank, 27 September 2016. Retrieved from <https://www.adb.org/news/infographics/recent-significant-disasters-asia-and-pacific-region>.

As such, there is a pressing need for regional and extra-regional states to develop measures on disaster prevention, resilience-building, and humanitarian assistance and disaster relief (HADR). The immeasurable loss of human lives and adverse impact on national economies inflicted by natural disasters provide policymakers with an impetus and rationale for allocation of resources towards these ends.

While national-level capacity and the readiness of IOR states is of primary importance, a number of key states play leading roles in responding to natural disasters in the region. India is among the first responders in the region, given its strategic location and capabilities. Significantly, its navy has increased its capabilities by acquiring new multi-functional tankers, amphibious ships, and frigates, in addition to holding multinational HADR naval exercises. However, while the Indian navy conducts a series of bilateral and multilateral naval exercises focused on conventional naval warfare with a number of regional and extra-regional states, it is only in recent years that HADR has been given more attention.¹⁰ For instance, it was only in 2012 that HADR was the focus of the MILAN series of India-sponsored biennial naval exercises involving 16 other IOR countries.

At present, mechanisms for managing maritime disasters in the IOR exist primarily at the national level, although there is some level of coordination among nations. For instance, the Indian Tsunami Early Warning Centre (ITEWC) provides information to all countries in the IOR and works with other regional providers in Australia and Indonesia. Meanwhile, among the IONS' principal objectives is the development of "interoperability in terms of doctrines, procedures, organisational and logistic systems and operational processes, so as to promote the development of regional naval capacities for speedy, responsive and effective Humanitarian Assistance and Disaster Relief (HADR) throughout the Indian Ocean region".¹¹

In terms of regional organisations, the IORA's First Leaders' Summit, held in Jakarta in March 2017, drew attention to a range of issues of regional interest in the greater IOR, including HADR. Within ASEAN, too, there are

10 Nilanthi Samaranyake, Catherine Lea, and Dmitry Gorenburg, "Improving U.S.-India HA/DR Coordination in the Indian Ocean," Arlington, USA: CNA Strategic Studies, July 2014. Retrieved from https://www.cna.org/CNA_files/PDF/DRM-2013-U-004941-Final2.pdf, 46.

11 Indian Ocean Naval Symposium (IONS) website, http://ions.gov.in/about_ions.

a number of mechanisms that deal with disaster management: the ASEAN Committee on Disaster Management, the ASEAN Coordinating Centre for Humanitarian Assistance on Disaster Management (AHA Centre), the ASEAN Emergency Response Assessment Team, and the Disaster Emergency Logistics System for ASEAN. The ASEAN Regional Forum (ARF) hosts disaster relief exercises during a bi-annual gathering between ASEAN members and its 17 Dialogue Partners, and the ASEAN-Plus Defence Ministers' Meeting (ADMM+) hosts HADR exercises as well.

While HADR is among the non-traditional security countermeasures that are the “low-hanging fruits” of cooperation, geopolitical sensitivities and tensions can preclude coordinated responses. However, with regional cooperation being typically of the bilateral or ad hoc formats, it makes good sense for states to work within these preferences until conditions for greater cooperation emerge. The 2015 Nepal earthquake, where Indian and Chinese relief teams carried out efforts alongside each other, although not in coordination, is a case in point.

This monograph argues that the Indian Ocean is a strategically important yet volatile region, closely intertwined with ASEAN's economic and strategic prospects. Both ASEAN and its member states need to step up engagement in the IOR so as to avoid being marginalised in future strategic affairs and economic initiatives. Common interests and common threats abound, especially within the maritime realm, and greater cross-regional cooperation is a timely necessity.

The recommendations in the concluding chapter provide a set of focused objectives and practical avenues for promoting linkages between ASEAN and the IOR, which, it is hoped, will lead towards a shared vision of maritime security and prosperity.

Prospects for Indian Ocean Regionalism

Kwa Chong Guan

The end of the Cold War compelled the countries on the littorals of the Indian Ocean to review their futures in a post-Cold War globalising world. In 1997, 19 of these countries convened to form the Indian Ocean Rim Association (IORA) to promote economic cooperation among themselves. Apart from the IORA, the only other forum promoting some form of cooperation among countries in the Indian Ocean is the Indian Ocean Naval Symposium (IONS). This chapter examines the challenges and prospects for some form of regionalism in the Indian Ocean on the eve of the 20th anniversary of the IORA.

Indonesia, as the current chair of the IORA, convened the first meeting of the Heads of Government of IORA countries on 7 March 2017, during which the IORA Concord, which aims to “consolidate and strengthen regionalism in the Indian Ocean”, was signed and adopted. What is this regionalism which the adopted concord proposes to “consolidate and strengthen”? Regionalism is ultimately about some form of cooperation in trade or economics or security among neighbouring countries of a shared geographic space. But the imperative to cooperate must be underpinned by an awareness of a shared or common identity among those coming together and subscription to the notion of a common destiny binding them together.

It is not too difficult to prescribe what form of regionalism the IORA or IONS could, or should, follow. For IONS, it is clear that India initiated it in 2008 as the Indian Ocean equivalent of the Western Pacific Naval Symposium (WPNS), and its development will depend upon whether the navies India has invited to be members of the symposium agree with the relevance and applicability of the WPNS way to naval confidence-building and cooperation in the Indian Ocean. It is more difficult to prescribe what form of regionalism the 20-year-old IORA could have practised.

The IORA could have followed the open, multilateral regionalism practised by the Association of Southeast Asian Nations (ASEAN) or the Asia

Pacific Economic Cooperation (APEC), or opted to go with a more rules-based European Union (EU)-type regionalism. It is easy to fault the IORA for achieving a fraction of what ASEAN had achieved in its first 20 years. But the context and circumstances surrounding the inception of ASEAN are very different from that of IORA's beginnings in 1997, or, for both ASEAN and IORA, from the EU's beginnings in the 1951 Treaty of Paris creating the European Coal and Steel Community.

The countries coming together in 1967 to form ASEAN (and the EU after World War II) had a millennium-long, densely connected history of cooperation, competition, and conflict which they were seeking to come to terms with and move on to a new era of cooperation. In comparison, the Indian Ocean has been criss-crossed by diasporic communities, seafarers, traders, and pilgrims for some 3,000 years. Commodities, currencies, and cultures flowed across the waters of the Indian Ocean. But there does not seem to have been a sense of connected histories of identity or destiny among the disparate communities in the littorals of the Indian Ocean.

Al-bahr al-Hindi, as the Arab navigators and seafarers knew the Indian Ocean from the beginning of the Current Era, was a vast void to be crossed at great risk and danger. Unlike the Mediterranean, over which Rome and its successors thought it necessary to impose some form of imperium, no aspiring imperial power on the Indian subcontinent or West Asia attempted to exert its influence over the waters of the Indian Ocean until the 19th century, when the Royal Navy asserted its control over the Indian Ocean, enabling the British build-up of a colonial empire in the Indian subcontinent. India post-1945 has inherited this British vision of the inter-dependence of its continental and maritime security.

As a consequence of these disconnected histories of Indian Ocean littoral communities, there is little, if any, sense of a common identity and shared vision underpinning the IORA. Further, the disparities between the small island developing states of the IORA—Comoros, Mauritius, and the Seychelles—and the continental powers of India and Iran or Australia make for very different visions of what the IORA is about. India's dominance and vision of its destiny in the Indian Ocean hampers the development of ASEAN-style multilateralism among IORA members. It was India which wanted IORA membership to be limited and exclusive (i.e. excluding Pakistan) and to have a narrow charter focusing only on trade and investment,

maritime safety and security, and fisheries management, while excluding issues of security cooperation. What India wants has shaped the forms and practice of regionalism in the Indian Ocean.

Given this context of the IORA, the conventional wisdom that not much more could be expected of the IORA as a regional organisation is unsurprising. Preaching to the IORA that they should learn from ASEAN or the EU would, therefore, be irrelevant and futile. IORA members will have to decide what they can and must collectively do in response to their predicament today, which ranges from disaster management responses and tackling rising sea levels as an existential threat to seeking investments to develop a Blue Economy in their exclusive economic zones. What are the options for cooperation and collaboration in specific trade and investment projects for a Blue Economy? What are the prospects for a “sharing regionalism”, which capitalises on the rise of a “sharing economy”?

There is a fundamental tension underlying and driving the prospects for regionalism in the Indian Ocean: that between the need for some form of state-centred and-driven rules-based regionalism if the IORA is to live up to its charter of promoting the sustained growth and balanced development of the Indian Ocean and its member states versus a more open and flexible “shared regionalism” connecting people for a step-by-step pragmatic approach to regionalism. South Africa, as the incoming chair of the IORA, will have a challenging task navigating between these two practices of regionalism in the Indian Ocean. It will be a task made more complex by China’s growing presence in the Indian Ocean.

China’s proposed new Maritime Silk Road as part of its grand strategy for a “One Belt, One Road” to increase connectivity between Asia, Europe, and Africa offers new opportunities to jumpstart IORA proposals for a Blue Economy (analogous to the 1986 Plaza Agreement enabling Japanese investments in ASEAN to jumpstart ASEAN economic cooperation). China’s investments in developing a series of ports in the Indian Ocean, at Hambantota in Sri Lanka, Gwadar in Pakistan, and, more recently, Djibouti, where China has secured rights to build a military base at Doraleh, may be the beginnings of a new cycle of Indian Ocean regionalism driven by Beijing.

Indian Ocean Region Strategic Outlook

Anit Mukherjee

The Indian Ocean Region (IOR) has long been considered a backwater to major power rivalry and global geopolitics. During the Cold War the “action” was in the Atlantic and Pacific Oceans—where submarines, ships, and planes played a game of cat and mouse. Superpower rivalry played out in the Middle East and Afghanistan, but Southeast Asia was considered a distant theatre. With the demise of the Soviet Union and the rise of China, the focus has shifted to the East and South China Seas. These regions are still experiencing considerable geopolitical turbulence—with an unpredictable and aggressive North Korea, Sino-Japanese tensions over the Senkakus, and the territorial disputes in the South China Sea. This switch in focus has placed the Association of Southeast Asian Nations (ASEAN) at the centre of great power rivalry and is weakening notions of ASEAN centrality and unity. In addition, over the past few years, the IOR has been gaining increasing prominence as a potential arena for geopolitical rivalry. This development will affect ASEAN as five of its 10 member countries are considered Indian Ocean littoral countries, namely, Indonesia, Malaysia, Singapore, Myanmar, and Thailand.

Tensions are rising, owing primarily to China’s growing economic, foreign policy, and strategic interests in the IOR. As Chinese interests expand they are increasingly coming into conflict—and inducing anxiety in New Delhi and, to a lesser extent, in Washington, D.C. This chapter analyses contemporary trends in the IOR and their potential implications for the ASEAN countries. Necessarily, it pays more attention to regions closer to Southeast Asia and only briefly covers developments in the Arabian Sea and around the Straits of Hormuz.

For ASEAN countries, the most important players in the IOR will be the United States, China, and India. Other countries do matter, no doubt—Japan has significant economic interests and is keen to expand upon its strategic role, while Australia is a resident power. However, both being treaty allies of the United States, they will most likely coordinate their approach with the latter.

Therefore, this chapter begins with examining the dynamics of India-China relations in the Indian Ocean, and then discusses the role of the United States and concludes with the implications of these developments for the ASEAN countries.

CHINA'S TWO OCEAN STRATEGY

To a significant extent, the India-China rivalry in the Indian Ocean is being driven by growing economic interests. As both economies (comprising over a billion people each) grow, there is bound to be rising demand for raw material, energy, access to markets, and overall trade with other countries. More than 50 per cent of the world's maritime oil trade passes through the Indian Ocean. China is the world's largest goods trader and 90 per cent of these goods are traded through maritime transportation.¹ Indicative of the importance of maritime trade and its security, in 2012, the 18th Congress of the Communist Party of China (CPC) adopted a new policy of "Building a Strong Maritime Country". Similarly, in India there is growing awareness of the importance of maritime trade in ensuring continued economic progress. Over 90 per cent of India's external trade by volume and 70 per cent by value occurs via the seas. It is inevitable, therefore, that both countries are focusing on protecting their economic interests and securing the seas.

China's strategy to secure its interest in the IOR consists of three elements. The first is its expansive Belt and Road Initiative also known as the One Belt, One Road initiative, which focuses on securing its economic interests. This is covered in detail in this monograph in a separate chapter by Irene Chan titled "Current Trends in Southeast Asian Responses to the Belt and Road Initiative". The second element is to embark on a major naval modernisation programme, including development of force projection capabilities. The most tangible platform towards this end is the acquisition of the aircraft carrier *Liaoning* (and there are also reports that China is currently building another aircraft carrier). Simultaneously, the People's Liberation Army Navy (PLAN) has changed its strategy "from focusing on one ocean (the Pacific) to focusing on two oceans (the Pacific and the

1 Xu Hui and Cao Xianyu, "A Perspective on China's Maritime Security Strategy." In *Routledge Handbook of Naval Strategy and Security*, edited by Joachim Krause and Sebastian Bruns (London: Routledge, 2016), 343.

Indian)”.² The third element consists of obtaining greater access to ports in the Indian Ocean, usually by granting economic and military assistance to countries in the region. Accordingly, China has emerged as the single largest source of economic and military aid to Bangladesh, Sri Lanka, and Pakistan. Recently, it has also leased an overseas base in Djibouti in the Horn of Africa—which gives it the ability to operate near the Straits of Hormuz, a crucial chokepoint in the IOR.

Perhaps the most important country where all the elements of Chinese strategy converge is Pakistan—India’s traditional *bête noire*. The Chinese leadership has long been haunted by the spectre of the “Malacca Dilemma”—the notion that its trade and energy supplies flowing through the straits can theoretically be cut off by an unfriendly power. While analysts have cast doubt on the practicality, operational feasibility, and strategic effectiveness of mounting a blockade of the Malacca Straits, this “dilemma” is still cited by Chinese analysts as China’s primary security threat in the Indian Ocean.³ As a way to overcome this problem, China has proposed the China Pakistan Economic Corridor (CPEC)—a land transport corridor linking Gwadar on the Arabian Sea to the Chinese city of Kashgar. The total budgetary outlay for this project is approximately US\$46 billion over the next 10 to 15 years. This move has upset India primarily because sections of the corridor pass through the Pakistani portion of Kashmir—which India claims is disputed territory. Moreover, India fears that this move will, for all practical purposes, lead to a Chinese naval base in Gwadar—and complicate India’s ability to dominate the IOR. These sentiments are not helped by Chinese military aid—including the provision of submarines—to Pakistan.

INDIA’S INDIAN OCEAN STRATEGY

India’s response to these developments also has three components. The first is to develop closer ties with the United States and its allies—primarily Japan and Australia. The transformation of the U.S.-India relationship

2 You Ji, “China’s Emerging Indo-Pacific Naval Strategy,” *Asia Policy* 22 (July 2016): 11.

3 For the difficulty of blockading the Malacca Straits see James R. Holmes, “Strategic Features of the Indian Ocean Region.” In *Routledge Handbook of Naval Strategy and Security*, 84.

in recent years, especially in defence ties, is an accepted geopolitical fact.⁴ Under Prime Minister Narendra Modi, India has shed its earlier reticence—approving the Defence Framework Agreement in 2015 and the Logistics Exchange Memorandum of Agreement (LEMOA) in 2016, and embarking on an unprecedented partnership that might result in U.S. assistance in building India's next generation aircraft carrier. As China's rise and perceived aggressiveness threatens both U.S. and Indian interests—this relationship is only expected to further strengthen. In addition, India has enhanced its links—including defence ties—with both Japan and Australia. In the IOR, the Japanese government has expressed interest in assisting India in the development of the Andaman and Nicobar Islands—a further cause of consternation for China. Similarly, bilateral ties between Australia and India have grown over the last few years.

Another component of India's strategy is to strengthen links within its neighbourhood and with the Indian Ocean island-states. On assuming office, Prime Minister Modi made his intentions clear by enunciating a "Neighbourhood First" foreign policy. Despite setbacks with Pakistan and, until recently, with Nepal, this policy rests on the premise that India's interests are best served by enhancing ties within its own neighbourhood. Accordingly, India has made significant gains in settling its disputes with Bangladesh and has steered a more positive course in relations with Sri Lanka. India also wishes to emerge as a "Net Security Provider" within the IOR—an aspiration noted in the Indian navy's maritime strategy document.⁵ As part of its outreach, India has given considerable developmental and military assistance to the island-states such as Mauritius, Seychelles, and the Maldives. Part of this is aimed at enhancing its maritime domain awareness (MDA) within the Indian Ocean.⁶

The third component of India's strategy is internal balancing—the process by which it builds up its own military power. The Indian navy has

4 Anit Mukherjee and Manohar Thyagaraj, "Competing Exceptionalisms: U.S.-India Defence Relationship," *Journal of Defence Studies* 6, no. 2 (April 2012): 12–28.

5 *Ensuring Secure Seas: Indian Maritime Security Strategy*. (Indian Navy: Naval Strategic Publication (NSP) 1.2, October 2015), 80–101. For more about this concept see Anit Mukherjee, "Net Security Provider: Concept and Impediments." *RSIS Policy Brief*, August 2014.

6 Darshana Baruah, "Expanding India's Maritime Domain Awareness in the Indian Ocean," *Asia Policy*, no. 22 (July 2016): 52–55.

embarked on an ambitious plan to modernise and acquire force projection capabilities including naval fighter aircraft and Boeing P8I maritime reconnaissance aircraft, among others. In recent years, India has emerged as the largest weapons importer in the world and buys in significant numbers from the United States, Russia, France, and Israel. Currently, it is reportedly close to acquiring Japanese amphibious aircraft *US-2 ShinMaywa*, which will be a first for the bilateral relationship.

U.S. ROLE: CONTINUITY OR CHANGE?

The United States can be considered a resident power in the Indian Ocean by virtue of its bases in West Asia (Kuwait, Bahrain, the United Arab Emirates, and Qatar), in the Horn of Africa (Djibouti), and in Diego Garcia. All these bases serve as critical staging posts and protect U.S. interests in the region. In addition, on the eastern flank of the Indian Ocean it has a military presence in Thailand, Singapore, and Australia. Currently, the U.S. military is conducting significant operational missions in Iraq, Syria, and Afghanistan. As it is seemingly preoccupied with the Middle East, the United States is comfortable with India playing a leading role in the Indian Ocean. This acquiescence is also an indication of stretched U.S. resources, as it has more significant commitments and deployments in the East China and South China Seas. As a result, indicative of the general improvement in U.S.-India relations, analysts are defining it as a “security burden sharing” between the two in the IOR.⁷

However, a source of considerable anxiety has been the election of Donald Trump as the 45th U.S. president. Owing to the uncertainty about his policy preferences, there is considerable trepidation about the future U.S. role in the region. It remains to be seen whether President Trump will continue with existing U.S. policies or alter them as he deems fit.

IMPLICATIONS FOR ASEAN COUNTRIES

Countries in the IOR are navigating between the sometimes competing

7 Nilanthi Samaranyake et al, *U.S.-India Security Burden-Sharing? The Potential for Coordinated Capacity-Building in the Indian Ocean*. Arlington, USA: CNA Strategic Studies, April 2013.

interests of great powers while trying to further their own objectives. Sometimes, it works to the advantage of less-resourced countries as they are being wooed by the major powers. However, it is not in their interest to be caught in a proxy war for status, influence, and power among the great powers. Ideally, the competition would be healthy and beneficial to all concerned; however, it is uncertain whether this will always be the case.

Peace and stability in the Indian Ocean is important for the future economic growth of Asia. Moreover, there is tremendous potential in the IOR as it is currently one of the least integrated regions and has untapped resources. On the other hand, terrorism, piracy, and inter- and intra-state conflict (both religious and ethnic) are also prevalent in the IOR. For instance, the Islamist ideology propounded by the Islamic State of Iraq and the Levant/Syria (ISIL/ISIS) is finding some adherents in Southeast Asia. These developments can quickly undermine the security of ASEAN states. Therefore, for ASEAN, the IOR represents a mix of challenges and opportunities.

Realistically, there is little that ASEAN can do to shape the choices of the major powers—the United States, India, and China—in the Indian Ocean. At the most, it can enhance ties with regional and sub-regional groups like the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) and the Indian Ocean Rim Association (IORA). Creating more networks and frequent engagement between all major powers will hopefully, over time, reduce the competitive elements between them and incline them towards a cooperative relationship. That would be in the best interests of ASEAN and the entire IOR.

Maritime Force Developments in the Indian Ocean Region

Koh Swee Lean Collin

Robert Kaplan aptly described the Indian Ocean as “the center stage for the challenges of the twenty-first century”.¹ Indeed, the Indian Ocean Region (IOR) has grown in strategic and economic importance in recent years. But even if it is not as fraught with maritime disputes as the Western Pacific (the East and South China Seas, especially) is, the IOR continues to face a myriad of maritime security challenges such as human trafficking as well as illegal, unregulated and unreported (IUU) fishing.

The incidence of piracy and sea robbery, especially in the Gulf of Aden, may have decreased over the years but the threat of maritime terrorism has intensified. Adding another layer of complexity is the simmering Indo-Pakistani tensions, especially following the Uri terror attacks that prompted an Indian “surgical strike” across the border, regular artillery exchanges, and cross-border militant infiltration attempts. Fortuitously, no war has broken out, but the situation remains tenuous.

The IOR security landscape can be deemed to be complex and uncertain. To cope with this structural challenge, countries in the region have undertaken multi-pronged measures for enhancing peace and development. These include multilateral institutions—for example, the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIM-STEAC), which recently has taken on a more serious security dimension. In parallel to such diplomatic efforts, IOR littoral states have also embarked on maritime force capacity-building efforts.

But one needs to look at “capacity-building” in a more holistic sense beyond the mere acquisition of physical assets: it includes the development of the requisite infrastructure and human capital, among a whole suite of elements that contribute to a functional maritime force. All these require not

1 Robert D. Kaplan, “Center Stage for the Twenty-First Century: Power Plays in the Indian Ocean,” *Foreign Affairs* (March/April 2009): 17.

just threat perceptions but also political will and financial means to sustain the necessarily long-term process.

EMERGING NEW LOCAL FORCES

India continues with a major programme of naval force development. As well as new destroyers and frigates and the carrier *Vikramaditya*, which flies the more capable MiG-29K (a leap ahead of the retired *Viraat* and its old Sea Harrier jump-jets), the Indian navy has inducted new submarines and P-8I Poseidon long-range maritime patrol and reconnaissance planes. The Indian coastguard also bolstered its offshore patrol and surveillance capabilities.

While gaps continue to exist, such as the lack of updated submarine emergency response (evidenced in the loss of the submarine *INS Sindhurakshak* in 2013) and search-and-locate (SAL) capabilities (evidenced in the loss of an air force An-32 transport plane in late 2016), India continues to be the dominant resident IOR naval power. With its newly-introduced force projection capabilities, New Delhi has not only enhanced its warfighting ability, but also its position as one of the region's security providers, having demonstrated to this effect during the navy's non-combatant evacuation operations in Yemen in April 2015.

But, over the years, some new IOR players have emerged and can play a potentially bigger role. Bangladesh, for example, recapitalised its ageing fleet with new-build corvettes and missile craft as well as second-hand frigates and submarines from China, alongside ex-American and ex-British patrol vessels and auxiliaries. Dhaka boosted its naval aviation with new Italian-built AW109E helicopters and German-built Dornier-228 maritime patrol aircraft, and acquired former Italian corvettes modified into coastguard vessels.

Neighbouring Myanmar has also steadily but quietly modernised its navy with new frigates, corvettes, and missile craft built in domestic shipyards with foreign, mainly Chinese, assistance. Other IOR littoral states have undertaken more modest capacity-building with extra-regional assistance. The Japan International Cooperation Agency, for instance, signed a grant

agreement in July 2016 to provide Sri Lanka with patrol craft,² whereas India furnished patrol vessels to Mauritius in 2015–2016.³

MAINTAINING AND EXPANDING PRESENCE

Of the 303 piracy and sea robbery incidents recorded worldwide in 2015, 15 took place off Somalia—an increase from 12 in 2014—but this figure remained significantly lower than the 78 recorded in 2007.⁴ Notwithstanding recent fresh incidents, the overall picture in the Gulf of Aden was better, compared to other regional hotspots such as the Sulu Sea, where numerous kidnap-for-ransom attacks had been documented.

The extra-regional naval presence in the IOR has played a significant role in this improved piracy and sea robbery situation. In anticipation of a possible revival of attacks in waters off Somalia and Yemen, as seen in the 22 October 2016 attack on a chemical tanker, IOR and extra-regional countries will continue to maintain their naval presence in the region.⁵ The United Nations recently renewed authorisation for such involvement.⁶ Earlier, there were already efforts by some extra-regional governments to expand their presence for geopolitical reasons besides the intent to help safeguard vital sea lines of communications. As part of their rivalry that extended from their proximate Southeast Asian neighbourhood, China and Japan, for instance, ramped up aid to Africa and expanded their IOR naval presence.

2 “Signing of Grant Agreement with Sri Lanka: Providing Patrol Boats to Support Stronger Marine Safety Capacity for Marine Rescue, Marine Crime Prevention and Other Operations,” Japan International Cooperation Agency. Last modified 1 July 2016. http://www.jica.go.jp/english/news/press/2016/160701_01.html.

3 See, for example, “PM Modi Commissions India-Built Mauritian Naval Patrol Ship,” *Press Trust of India*, 12 March 2015.

4 “Reports on Acts of Piracy and Armed Robbery against Ships, Annual Report—2015” MSC.4/Circ.232. London: International Maritime Organization. Last modified 11 April 2016, 2, http://www.imo.org/en/OurWork/Security/SecDocs/Documents/PiracyReports/232_Annual_2015.pdf.

5 “Ships More at Risk after First Somali Pirate Attack in Years: Officials,” *Reuters*. 8 November 2016. <http://www.reuters.com/article/us-shipping-piracy-somalia-idUSKBN1331UJ>.

6 “Security Council Unanimously Adopts Resolution 2316 (2016), Renewing Authorization for International Naval Forces to Combat Piracy off Somali Coast,” United Nations, SC/12582, 7805th Meeting (PM). Last modified 9 November 2016. <http://www.un.org/press/en/2016/sc12582.doc.htm>.

Besides expanding the scope of its regular IOR naval deployments, including the dispatch of submarines, China has begun implementing plans, confirmed in November 2015, to build a logistic facility in Djibouti to support its naval forces operating in the IOR.⁷ In October 2016, Japan reportedly planned to lease additional land in Djibouti to expand the existing base which its Self-Defense Forces have been using to support counter-piracy operations off Somalia.⁸

PROLIFERATION OF INITIATIVES

The accumulation of maritime force capacities in the IOR has led to a gradual proliferation of practical security cooperation initiatives, such as the Japan-India Maritime Exercise or JIMEX in 2012. Smaller IOR countries, not just the bigger actors, strove to play a bigger role and some have even sought to initiate new mechanisms—for instance, Sri Lanka hosted the multinational Exercise Cormorant Strike, which included maritime force participation. Meanwhile, the African Union (AU) has developed the 2050 Africa's Integrated Maritime Strategy to promote maritime security cooperation among African states.⁹

There have also been efforts to build on existing initiatives. Notably, in 2012, Colombo participated in the Dosti series of exercises, which began in 1992 as an India-Maldives joint naval training event. That same year, the three countries initiated the Trilateral Meeting on Maritime Security Cooperation and, in the following year, staged a trilateral coastguard tabletop exercise. Mauritius and Seychelles then joined this trilateral meeting in 2014 (some called this expanded grouping the “IO-5”).

But, on the whole, disparate bilateral or “mini-lateral” groupings have dominated the format of maritime cooperation throughout the IOR as their actors took into account circumstances unique to specific sub-regions and

7 “Defense Ministry’s Regular Press Conference on Nov. 26,” Ministry of National Defense of the People’s Republic of China. Last modified 26 November 2015. http://eng.mod.gov.cn/DefenseNews/2015-11/26/content_4630603.htm.

8 “Japan to Expand Djibouti Military Base to Counter Chinese Influence,” *Reuters*, 12 October 2016. Retrieved from <http://www.reuters.com/article/us-japan-military-djibouti-idUSKCN12D0C4>.

9 “2050 Africa’s Integrated Maritime Strategy,” Website of Gulf of Guinea Commission, 2012. http://cggrps.org/wp-content/uploads/2050-AIM-Strategy_EN.pdf.

the countries involved. For example, India earlier expressed little optimism about expanding the “IO-5” into the Bay of Bengal because some members, such as the Seychelles, are geographically so detached that they may not be particularly concerned about maritime security issues in that sub-region.¹⁰

COMPLEX INTERACTIONS

Maritime forces continue to be a key tool of foreign policy, and the seas continue to be an immutably ambiguous medium that enables the flexible application of this instrument for both benign and coercive purposes. Both the competitive and cooperative dynamics of IOR maritime force developments can be observed through this lens.

Recent real-life contingencies that took place in the IOR highlighted the need for closer cooperation between not just the local maritime forces but also those of extra-regional actors. The loss of Malaysia Airlines passenger jet MH370 in March 2014 galvanised search and rescue (SAR) efforts both within and beyond the IOR, drawing the diverse maritime force capacities of various actors. Almost in the same way as the Indian Ocean earthquake and tsunami of December 2004, this incident aptly highlighted the importance of collective solutions to common challenges.

But practical cooperation is not always smooth sailing, especially when complex geopolitical dynamics come into play. Soon after MH370 went missing, New Delhi turned down Beijing’s request to allow Chinese warships to conduct joint SAR efforts off the Andaman and Nicobar Islands, where India maintains a strategically important military outpost.¹¹ The docking of a Chinese submarine at a Sri Lankan port in September 2014 also raised New Delhi’s concerns about Beijing’s real intent in the IOR, since it coincided with a standoff along the disputed Sino-Indian border.¹²

10 Sandeep Dikshit, “Seychelles, Mauritius Join Indian Ocean Maritime Group,” *The Hindu*, 7 March 2014. Last modified 19 May 2016. <http://www.thehindu.com/news/national/seychelles-mauritius-join-indian-ocean-maritime-security-group/article5758402.ece>.

11 “India Won’t Allow China’s Warships near Andamans,” *The Times of India*, 21 March 2014.

12 Rajat Pandit. “Chinese Sub in SL Raises Govt’s Doubts,” *The Times of India*, 28 September 2014. See also, Sachin Parashar, “China’s Submarine in Sri Lanka Inimical to India’s Interests, Govt Infuriated,” *The Times of India*, 4 November 2014.

There are hence limits to expanding practical cooperation among maritime forces of the IOR and extra-regional states. The themes of such initiatives, if they aim to garner widespread participation, not only have to revolve around security issues that gain broad acceptance as a common problem (such as natural disasters), but will also have to cater to political and operational sensitivities while benchmarking against the lowest denominator (i.e. participating forces with lower capabilities).

The Multinational Naval Exercise Komodo, first hosted by Indonesia in 2014 in the South China Sea, drew considerable participation across the IOR and Western Pacific as it focused on a common theme that is considered less sensitive—i.e. humanitarian assistance and disaster relief. Joint training involving complex operations, tactics, and equipment that could be deemed sensitive are more usually bilateral in nature—for example, the Indo-U.S. Exercise Malabar or Singapore-India Maritime Bilateral Exercise (SIMBEX).

IMPLICATIONS FOR ASEAN

In view of the complex, evolving IOR maritime security environment, there are prospects to further deepen the existing scope of cooperation, albeit gradually. Yet, at the same time, certain underlying risks exist as a result of inter-state rivalries, characterised by the lack of transparency, longstanding historical animosities, and conflicts of interest. These dynamics look set to endure in the IOR and would require solutions tailored to the unique circumstances of that region.

What does this mean for ASEAN and what can ASEAN do? For a long time, ASEAN has been largely preoccupied with proximate waters located in the Western Pacific seaboard, where more immediate maritime security problems reside—for instance, disputes in the South China Sea; piracy and sea robbery incidents in the Straits of Malacca and Singapore; and, more recently, kidnap-for-ransom cases in the Sulu Sea. But maritime security challenges emanating from the IOR, such as the Rohingya refugee boat influx, affect ASEAN littoral states on the IOR eastern seaboard and, therefore, point to a growing need for the organisation to begin glancing westward.

With maritime force capacity-building processes taking place in earnest among the IOR littoral states, there are greater prospects for more cross-

regional, practical maritime security cooperation between them and the ASEAN countries. This could be in the form not just of providing collective solutions to common, especially transnational maritime security, challenges, but also as part of confidence-building. It would be in ASEAN's interest, given its traditional primary focus on the Western Pacific seaboard, to refrain from attempting to be an apex institution that fronts IOR maritime security.

Rather, it would be more helpful and plausible from the policy perspective for ASEAN to enhance inter-institutional linkages with existing IOR mechanisms—for example, the Indian Ocean Rim Association (IORA). There are, of course, best practices ASEAN could offer, given its experience in promoting and facilitating practical security cooperation, but such sharing should always be cognisant of the unique circumstances facing the IOR littoral states. Through regular dialogues and targeted capacity-building assistance programmes, ASEAN as a whole, or individual member states, and their maritime forces could seek to play a meaningful yet sustainable role in preserving and enhancing IOR maritime security.

Maritime Cooperation in the Indian Ocean Region

Lee Cordner

The Indian Ocean Region (IOR) has emerged as a vital geopolitical arena in the Asian Century.¹ The primary coalescing factor is the *systemic* nature of the interconnected maritime context where global, regional, and national objectives come together. The strategic interests of multiple actors involved in the IOR overlap and converge at sea. Once a virtual strategic “backwater”, the Indian Ocean is increasingly becoming an arena for strategic competition between the major powers, particularly India and China. All actors with IOR interests stand to benefit from ongoing peace and tranquillity. The IOR maritime domain is fundamental to global and regional economic and environmental well-being.

IOR freedom of navigation has to be protected because it is essential to world and regional trade, and critical to global energy security. The Indian Ocean marine environment impacted by climate change, pollution, and oceanic resource exploitation needs to be husbanded; it is vital to global environmental security and regional food security. Maritime territorial sovereignty is crucial to regional stability and nation-state integrity. Law and order at sea must be applied across the entire maritime expanse; criminal activities transcend national maritime boundaries and variously impact all states. Similarly, there are shared obligations for maritime and aeronautical search and rescue (SAR) and requirements for humanitarian assistance and disaster relief (HADR) across the Indian Ocean. Importantly, no single nation-state or other entity has the mandate or the wherewithal to ensure the integrity and security of the IOR maritime system. Cooperation between actors with interests in the Indian Ocean, both internal and external, is necessary into the future.

1 Denis Rumley (ed.), *The Indian Ocean Region: Security, Stability and Sustainability in the 21st Century*. (Canberra: Report of the Australia India Institute Task Force on Indian Ocean Security, 2003), 23.

The Association of Southeast Asian Nations (ASEAN) occupies a central geostrategic position astride the confluence of the Indian and Pacific Oceans. Whether individual ASEAN states have Indian Ocean or Pacific Ocean littoral geography, a combination of the two, or are largely landlocked, their collective interests are profoundly affected by the inherently indivisible nature of the Indo-Pacific maritime context. For example, emerging tensions in the South China Sea that impact regional stability and could disrupt vital maritime trade routes are of significant concern to Indian Ocean trade, just as Somalian piracy in the Gulf of Aden impacted regional maritime trade. Notably, several ASEAN states committed maritime forces to assist international anti-piracy efforts in the Western Indian Ocean, operating under the banner of the voluntary multinational naval partnership, Combined Maritime Forces.² Similarly, the operations at the eastern end of the IOR under the Malacca Strait Patrols (MSP) mechanism involving Malaysia, Singapore, Indonesia, and Thailand generate maritime trade security for all who use the Indian Ocean.³

IOR MARITIME COOPERATIVE CONTEXT

The IOR geopolitical context presents major challenges to maritime cooperation. It is complex, diverse, dynamic, and fragmented; the IOR is difficult to deal with as an integrated entity. Geography, combined with historical, cultural, racial, ethnic, economic, political, and ideological factors, makes conceptualising the IOR as a coherent entity problematic. It is perceived to be a largely disaggregated oceanic and littoral region, more a collection of sub-regions than a single region.⁴ However, from a maritime perspective, there is a rising imperative for cooperation that spans the entire Indian Ocean and interconnects with the oceans to the east and west.

-
- 2 Malaysia, Philippines, Singapore, and Thailand have variously participated in and contributed forces to Combined Maritime Forces operations in the Middle East area.
 - 3 Malacca Strait Patrols (MSP) was formalised as the collective term to describe the combined Malacca Strait Sea Patrol (formerly MALSINDO), “Eyes-in-the-Sky” (EiS), and an Intelligence Exchange Group operating under a Joint Coordinating Committee with Malaysia, Singapore, Indonesia, and Thailand participating.
 - 4 For an analysis of IOR sub-regional groupings see Christian Bouchard and William Crumplin, “Neglected No Longer: The Indian Ocean at the Forefront of World Geopolitics and Global Strategy,” *Journal of the Indian Ocean Region* 6, no. 1 (2010): 41–44.

There are several regional cooperative entities in the Western Pacific that deal with aspects of maritime cooperation and maritime security, with ASEAN a central participant,⁵ and some Indian Ocean states involved.⁶ There is a relative dearth of IOR nation-state level arrangements or architectures in place specifically designed to facilitate maritime cooperation. The Indian Ocean Rim Association (IORA) is the only region-wide body designed to facilitate regional dialogue at the government-to-government level, although its membership does not include all IOR littoral states.⁷ ASEAN states that are members of IORA include Indonesia, Malaysia, Singapore, and Thailand. IORA has recently experienced resurgence after an extensive period where its effectiveness was doubtful and frequently criticised by member states. India, Australia, Indonesia, and other members have committed energy and resources to revitalise IORA in an effort to enhance its relevance and utility.

IORA's focus is primarily to promote economic cooperation, supported by human, social, environmental, and intellectual dialogue. Maritime

5 For example, entities that deal with aspects of maritime cooperation in the Western Pacific include: Asia-Pacific Economic Cooperation (APEC), ASEAN Regional Forum (ARF), ASEAN Maritime Forum (AMF), ASEAN-Plus Defence Ministers' Meeting (ADMM+), ASEAN Agreement on Disaster Management and Emergency Response (AADMER), ASEAN Regional Forum Inter-Sessional Meetings on Maritime Security (ARF ISM on MS), The Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP), Western Pacific Naval Symposium (WPNS), and various regional fisheries management organisations—for example, the Western and Central Pacific Fisheries Convention (WCPFC).

6 For example, India and Australia are party to many ASEAN/Western Pacific arrangements.

7 IORA (formerly known as the Indian Ocean Rim Association for Regional Cooperation or IOR-ARC) is the only regional forum linking most countries of the Indian Ocean rim through an annual Foreign Ministers' meeting. IORA facilitates and promotes economic cooperation, bringing together representatives of member states' governments, businesses, and academia. In a spirit of multilateralism, the association seeks to build and expand understanding and mutually beneficial cooperation through a consensus-based, evolutionary, and non-intrusive approach. Members are Australia, Bangladesh, Comoros, India, Indonesia, Iran, Kenya, Madagascar, Malaysia, Mauritius, Mozambique, Oman, Seychelles, Singapore, South Africa, Sri Lanka, Tanzania, Thailand, the United Arab Emirates, and Yemen. China, Egypt, France, Japan, the United Kingdom, and the United States are Dialogue Partners. The Indian Ocean Tourism Organization (IOTO) and Indian Ocean Research Group (IORG) have Observer status.

cooperation features prominently among the six priority areas for IORA.⁸ Maritime Safety and Security is the first priority, followed by Fisheries Management at priority three. Disaster Risk Management (priority four) and Academic and Science and Technology Cooperation (priority five) also have some maritime aspects. Special IORA projects include the Maritime Transport Council (MTC), Fisheries Support Unit (FSU), and the IORA Centre of Excellence on Ocean Science and Environment. IORA is devoting significant attention to the “Blue Economy”, with a core group tasked with “Promoting Fisheries and Aquaculture and Maritime Safety and Security Cooperation in the IOR”. An IORA Indian Ocean Dialogue forum in Perth, Australia, in September 2015 identified several maritime cooperation focus areas for the future: combatting transnational crime, maritime security and defence cooperation, regional cooperation in SAR operations, the Blue Economy as a driver of economic growth, countering illegal fishing, and HADR.

The only IOR-wide entity charged specifically with maritime security collaboration is the Indian Ocean Naval Symposium (IONS).⁹ The focus of IONS is interaction between senior naval and maritime security officials, primarily to consider operational and technical matters. Modelled along the lines of the Western Pacific Naval Symposium (WPNS), IONS is an Indian-led initiative that first convened in 2008. IONS is at a relatively nascent stage of development and progress has been slow, in considerable

8 See “Priority Areas,” IORA, accessed 25 January 2017, <http://www.iora.net/about-us/priority-areas.aspx>.

9 IONS provides a regional forum through which the chiefs of the navies or maritime security forces of the IOR littoral states can periodically meet to constructively engage one another through the creation and promotion of regionally relevant mechanisms, events, and activities. IONS includes the navies or maritime security forces of 23 nations that permanently hold territory that abuts or lies within the Indian Ocean, plus seven observers. These have been grouped into four sub-regions: South Asian Littorals: Bangladesh, India, Maldives, Pakistan, Seychelles, Sri Lanka, the United Kingdom (British Indian Ocean Territory); West Asian Littorals: Iran, Oman, Saudi Arabia, United Arab Emirates; East African Littorals: France (Reunion), Kenya, Mauritius, Mozambique, South Africa, Tanzania; and Southeast Asian and Australian Littorals: Australia, Indonesia, Myanmar, Singapore, Thailand, Timor-Leste. China, Japan, Germany, Madagascar, Malaysia, Russia, and Spain have Observer status. Other navies that have a strategic interest in the IOR have been invited to participate in biennial seminars and annual workshops (the US and Italy have already participated).

part due to the disparate nature of strategic alignments in the IOR.¹⁰ There is no direct connection between IONS and IORA.¹¹ ASEAN navies that are party to IONS include Indonesia, Myanmar, Singapore, and Thailand, while Malaysia has Observer status. IONS does not present an appropriate forum to consider international policy issues, which are the purview of heads of government and ministers.

Some maritime-related cooperative entities in the Indian Ocean come under United Nations auspices. These include the Indian Ocean Global Ocean Observing System (IOGOOS), primarily a marine scientific research project under the Intergovernmental Oceanographic Commission (IOC) of the United Nations Educational, Scientific and Cultural Organization (UNESCO); the Indian Ocean Memorandum of Understanding for Port State Control (IOMOU) that comes under the International Maritime Organization (IMO) and is intended to support enactment of the International Ship and Port Security (ISPS) Code in the IOR; and regional fisheries management organisations (RFMOs), including the Southwest Indian Ocean Fisheries Commission (SWIOFC), the Southern Indian Ocean Fisheries Agreement (SIOFA), plus the Indian Ocean Tuna Commission (IOTC).

Another area of IOR cooperation is in maritime and aviation SAR where adjacent Search and Rescue Regions (SRR) mostly have close cooperative arrangements, with instances of mutually beneficial SAR capacity-building programmes.¹² The importance of international SAR cooperation has been highlighted by high-profile events like the March 2014 Malaysian Airlines MH370 tragedy in the Indian Ocean. Notably, from a regional and global SAR perspective, the engagement of ASEAN member states in international SAR treaties and arrangements is patchy. All ASEAN member states are parties to the Convention on International Civil Aviation, 1944, and most are parties to the International Convention for the Safety of Life at Sea (SOLAS), 1974. However, only Indonesia, Singapore, and Vietnam have so far ratified the International Convention on Maritime Search and Rescue (SAR), 1979.

10 Owing to differences in perspective, the IONS “Charter of Business” was not agreed upon until its fourth meeting in Perth, Australia, in 2014.

11 Australia was chair of both IORA and IONS in 2014 and the Australian Foreign Minister suggested that a connection might be useful. However, this idea did not make any progress.

12 For example, Australia provides assistance to Sri Lanka, the Maldives, and Mauritius through a SAR Capability Partnership Program (SCPP).

There are numerous bilateral and sub-regional arrangements in the IOR that have varying, mostly limited, maritime cooperation relevance, with ASEAN as one of the more effective sub-regional cooperative entities that is also an Indian Ocean stakeholder.¹³ One arrangement with specific maritime application is the Djibouti Code of Conduct concerning the Repression of Piracy and Armed Robbery against Ships in the Western Indian Ocean and the Gulf of Aden (DCoC), conceptually based upon the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP).

Overall, the lack of effective Indian Ocean regional maritime cooperative arrangements and mechanisms is likely to become critical, given emerging maritime security risks and vulnerabilities that will require collective and cooperative consideration and action. There is a strong case for enhanced IOR regionalism, with a focus on cooperation across the maritime domain. This presents perplexing challenges in the IOR strategic context: how to develop realistic and workable collective and cooperative security strategies?

OPPORTUNITIES FOR ASEAN MARITIME ENGAGEMENT IN IOR

The interests of ASEAN and other Indian Ocean stakeholders, both internal and external, converge at sea. ASEAN's strategic location around the eastern end of the Indian Ocean sea lines of communication (SLOCs), part of the inherently interconnected globalised maritime system, demands that it play a constructive role. ASEAN should be integrally engaged in all aspects of IOR maritime cooperation. There are several areas where ASEAN is well placed to contribute and derive benefit; in some respects, ASEAN is uniquely positioned.

ASEAN represents an exemplar of regional cooperation that is demonstrably lacking and sorely needed in the IOR. Habits and mechanisms for cooperation between diverse ASEAN member states have been built over decades. ASEAN has provided a catalyst for economic, security, and other cooperative and collective endeavours, primarily in the Western Pacific.

13 Examples include the South Asian Association for Regional Cooperation (SAARC), the Southern African Development Community (SADC), the Gulf Cooperation Council (GCC), the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), and the East African Community (EAC).

The ASEAN experience and lessons learned can be useful in informing cooperative approaches in the IOR.¹⁴

ASEAN engagement in the IOR should go beyond that of the individual ASEAN states that have Indian Ocean littoral geography and are currently involved in specific arrangements. ASEAN may be well placed to moderate Indian and Chinese strategic competition in the IOR. ASEAN, as a separate entity, should consider applying to join IORA as a Dialogue Partner.¹⁵ This would enable mutually beneficial sharing of information, experience, and ideas and help place explicit emphasis on Indo-Pacific maritime congruence.

Similarly, ASEAN states could encourage cooperation and sharing of experience between the Western Pacific Naval Symposium (WPNS) and IONS, which could assist IONS to move forward. WPNS has been operating since 1988 and there are many mutual areas of operational and technical interest including, for example, law and order at sea, HADR, SAR, and promoting procedures for unalerted encounters between naval and coastguard forces.

A major area of mutual interest for ASEAN and the IOR that impacts all aspects of maritime cooperation is maritime domain awareness (MDA). High quality MDA is important for ensuring the safety and security of maritime trade flows, protecting the maritime commons, and imposing law and order at sea. While a level of cooperation is already happening, there is considerable room for improvement. For example, the Information Fusion Centre (IFC) hosted by Singapore as a regional maritime security information sharing centre represents regional best practice.¹⁶ Good liaison with several IOR states, including India and Australia, is already in place and this can be built upon and expanded across the Indian Ocean.

Finally, ASEAN should urge member states to ratify the 1979 Maritime SAR treaty and other IMO conventions and protocols that impact maritime

14 This is notwithstanding the fact that ASEAN's internal relations are by no means perfect and that there are apparent schisms over dealings with China.

15 There are groups that have Observer status with IORA; however, Dialogue Partner would appear to be the most appropriate role for ASEAN.

16 The IFC hosts maritime information sharing portals such as the ASEAN Information-Sharing Portal (AIP) and the Regional Maritime Information eXchange (ReMIX), which facilitates information sharing among ASEAN navies and WPNS members.

safety, security, and marine environmental protection. Related domestic legislation and regulations should follow so that all ASEAN states effectively contribute to international maritime cooperative arrangements.

Current Trends in Southeast Asian Responses to the Belt and the Road Initiative

Irene Chan

Chinese President Xi Jinping's proposals for a Silk Road Economic Belt and a 21st Century Maritime Silk Road (officially referred to as the Belt and Road Initiative; refer to Annex F), announced respectively in Kazakhstan and Indonesia, took the world by storm in 2013. Since then, the Belt and Road Initiative (BRI) has become the centrepiece of Chinese economic diplomacy. According to China's official document on the *Vision and Actions on Jointly Building Silk Road Economic Belt and 21st Century Maritime Silk Road*, released by the Chinese National Development and Reform Commission, Ministry of Foreign Affairs, and Ministry of Commerce, five routes have been proposed for the BRI—(1) Central Asia-Russia; (2) Central Asia-West Asia; (3) mainland Southeast Asia-South Asia-Indian Ocean; (4) South China Sea-Indian Ocean; and (5) South China Sea-South Pacific Ocean.¹

Looking at the proposed routes, Southeast Asia's importance to China's BRI (popularly known also as the One Belt, One Road or OBOR initiative) is evident as the region is China's doorstep to the world. Southeast Asia straddles some of the busiest maritime and aerial commercial routes in the world that are key to China's economic rise and survival. Despite the recent uncertainties in the global economic environment, Southeast Asia is one of the fastest growing regions in the world. Regional economies have remained resilient despite the global economic slowdown. Notably, the economies of Cambodia, Laos, Myanmar, and Vietnam (CLMV) grew by 6.6 per cent in 2014—0.4 percentage points up from 2013.² This is due to rising labour

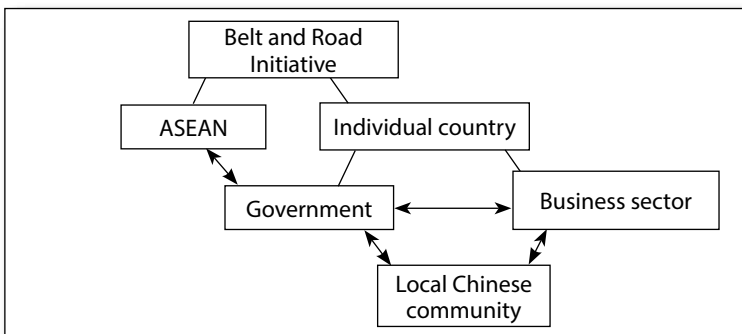
-
- 1 "Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road," National Development and Reform Commission, Ministry of Foreign Affairs, and Ministry of Commerce of the People's Republic of China. 28 March 2015. Retrieved from http://en.ndrc.gov.cn/newsrelease/201503/t20150330_669367.html.
 - 2 "Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road," op. cit.

costs in China over the recent years, which have created incentives for labour-intensive production and some advanced manufacturing to shift to Southeast Asia. The region is benefitting from the “China-plus-one” strategy that is increasingly adopted by large multinational corporations owing to its proximity and relatively lower labour costs.³

Over the past three years, the BRI has been a topic of discussion at Track Two level meetings in Southeast Asia.⁴ This chapter seeks to make sense of Southeast Asia’s responses to the BRI, based on two questions: (1) Why should the Association of Southeast Asian Nations (ASEAN) respond to the BRI? (2) What are the voices that make up each Southeast Asian country’s response and that ultimately form the ASEAN response? The first section examines the importance, and/or lack thereof, of ASEAN to China. The second section seeks to unpack the possible voices behind any ASEAN member country’s response to the BRI, followed by a conclusion.

Figure 1 below shows the different respondents to the BRI in Southeast Asia. One should not assume that consensus at the multilateral level (ASEAN as a grouping) is an accurate reflection of the domestic response at the individual country level. At the level of the individual ASEAN country, the response is also influenced by non-state actors such as business interest groups and local ethnic communities that have close ties with China.

FIGURE 1
Different respondents to BRI in Southeast Asia



3 “China Plus One,” *FTI Journal*, February 2013. Accessed 10 October 2016. <http://ftijournal.com/article/china-plus-one>.

4 Based on the author’s interviews with government officials and scholars, as well as her participation in BRI-related conferences in China, India, Indonesia, Japan, Kazakhstan, Malaysia, Russia, Singapore, Thailand, and Vietnam.

ASEAN'S RESPONSE

The 21st Century Maritime Silk Road (MSR) was officially introduced to ASEAN by Chinese Premier Li Keqiang at the 16th ASEAN-China Summit in Brunei on 10 October 2013. A year later, at the 17th ASEAN-China Summit in Myanmar in November 2014, the MSR was included as part of China's "2+7 Cooperation Framework" proposal for building a community of shared destiny. The proposed framework comprises a two-point political consensus on building strategic trust and promoting mutually beneficial economic development. It also identifies seven priority areas for cooperation that include maritime cooperation, finance, security, environmental protection, and people-to-people exchange.⁵

Under the 2+7 framework, China proposed to improve upon the China-ASEAN Free Trade Agreement (CAFTA); establish the Asian Infrastructure Investment Bank (AIIB), modelled on the World Bank; and enhance China-ASEAN financial cooperation. ASEAN's response to the economic components of the 2+7 Cooperation Framework was generally positive but it did not officially endorse the MSR.⁶ There has been little impetus over the past three years for ASEAN to launch a formal discussion for a multilateral approach to the Chinese initiative. Currently, China's actions indicate that it is more interested in promoting the physical infrastructure development aspect of the BRI, which involves mainly bilateral cooperation (instead of the multilateral alternative). Therefore, it is hardly surprising that ASEAN will continue to give a cautious response to the BRI.

Moreover, this cautious response is typical of ASEAN's consensus-based approach. Given the individual member countries' internal economic and security considerations, it will be hard to achieve complete consensus on the BRI, particularly on the potentially sensitive political-security issues. The author's interviews with various active and retired ASEAN diplomats reveal that there seem to be mixed reactions to the idea of a multilateral

5 See paragraph 6 of the Chairman's Statement at the 17th ASEAN-China Summit, Nay Pyi Taw, Myanmar, 13 November 2014. Retrieved from official ASEAN website. <http://asean.org/chairman-s-statement-of-17th-asean-china-summit/>

6 Prashanth Parameswaran, "Beijing Unveils New Strategy for ASEAN-China Relations," *The Jamestown Foundation*, 24 October 2013. Retrieved from http://www.jamestown.org/single/?tx_ttnews%5Btt_news%5D=41526&no_cache=1#.VXAgomCJgdU.

approach to the BRI. Some diplomats are adamant that the BRI should not converge with any of ASEAN's existing connectivity plans, while others encourage it. Besides, there is a bigger obstacle in the way of achieving an ASEAN consensus on the BRI—the South China Sea disputes. However, this may change with the China-Philippines rapprochement initiated by the new president of the Philippines, Rodrigo Duterte.⁷

This chapter contends that ASEAN should respond to the BRI collectively, or risk the division and sidelining of the entire regional grouping. The BRI does dovetail with ASEAN's efforts towards economic integration. Since the early 2000s, ASEAN has tried to better integrate itself as a bloc into the global economy through various agreements, including the "ASEAN Plus" Free Trade Agreements (FTAs) and Closer Economic Partnerships (CEP) with major trading partners.⁸ The ASEAN-China Free Trade Agreement (ACFTA) is one of the world's largest free trade agreements. It can provide a good foundation for the BRI's institutional infrastructure connectivity in this region.

China still does not have a concrete blueprint for the BRI, other than the *Vision and Actions* document. But ASEAN has a concrete blueprint—the Master Plan for ASEAN Connectivity (MPAC)—on improving physical and institutional connectivity, which was adopted in 2010. It should be noted that one of the BRI's main connectivity projects in this region is the Singapore-Kunming Rail Link (SKRL), a rebranded project from the physical connectivity projects earmarked under the MPAC. It should also be pointed out that the AIIB did not grant funding for any of the MPAC projects in the first two rounds of its funds disbursement, although Indonesia was granted US\$216 million for the renovation of slum housing in North Jakarta—the largest share of the bank's first round of disbursements. It was reported that the AIIB was extremely cautious in selecting the first

7 Under the Benigno Aquino administration, Sino-Filipino relations deteriorated because of the South China Sea disputes and the Philippines' legal case against China at the Permanent Court of Arbitration (PCA). Duterte indicated his intentions to temporarily shelve the PCA ruling in bilateral negotiations with China. (Joyce Ann L. Rocamora and Ted Tuvera, "Duterte to Shelve PCA Ruling in China Talks," *The Daily Tribune*, 30 August 2016. Retrieved from <http://www.tribune.net.ph/headlines/duterte-to-shelve-pca-ruling-in-china-talks>.)

8 Parameswaran, "Beijing Unveils New Strategy," op. cit.

batches of projects in order to avoid reputational damage.⁹ There is no guarantee that the AIIB or its commercial counterpart, China's Silk Road Fund, will fund ASEAN's infrastructure development needs; therefore, ASEAN should ensure that its connectivity projects are competitive and relevant to the BRI.

ASEAN can and should maintain its centrality in regional integration with China, particularly since the establishment of the ASEAN Economic Community (AEC) in 2015 reflects the strong political will of member countries to position the organisation as a single market. The integration of ASEAN will be crucial to the further evolution of ACFTA into a larger free trade region, such as the East Asian Free Trade Agreement (EAFTA), which comprises the ASEAN Plus Three countries, or the Comprehensive Economic Partnership in East Asia (CEPEA), which comprises the ASEAN Plus Six countries. Closer integration will also allow ASEAN to remain relevant as the driver of East Asian economic integration in the face of the challenges and opportunities the BRI may bring to the region.

RESPONSES FROM REGIONAL GOVERNMENTS

Most Southeast Asian governments, particularly those which have existing territorial disputes with China, tended to be more cautious in their responses to the BRI as they balanced their countries' strategic considerations and interests, as well as the need for economic development. However, there seems to be a shift towards China and the BRI recently owing to domestic politics and the wave of global populism hitting Southeast Asia. Political leaders in various Southeast Asian countries such as Malaysia, Thailand, the Philippines, and Indonesia are leaning closer to China in the hopes of getting a piece of the BRI pie to boost their domestic political fortunes. But the Southeast Asian countries are adept at hedging vis-à-vis the major players and their responses to the BRI do not signify a complete capitulation to China or a defeat for other important ASEAN trading partners such as Japan, the United States, or India.

9 "China-Led Development Bank Careful to Co-operate with Critics," *Eco-Business*, 8 August 2016. Retrieved from <http://www.eco-business.com/news/china-led-development-bank-careful-to-co-operate-with-critics/>.

It was hardly a coincidence that President Xi picked the Indonesian Parliament as the venue to announce his proposal for the 21st Century Maritime Silk Road. Indonesia is the largest member country in ASEAN and often regarded in the regional grouping as the *primus inter pares*. China also made efforts in 2015 to link the BRI with Indonesian President Joko Widodo's "Global Maritime Fulcrum" vision.¹⁰ Indonesia's response has been generally positive because Widodo's populist slant put infrastructure development as Jakarta's current priority.¹¹ On the other hand, Widodo's determination to build up Indonesia's maritime power and combat illegal fishing has resulted in a harder stance against China. This came after two separate occasions in 2016, in which Indonesian authorities almost clashed with China's coastguard over attempts to detain Chinese vessels illegally fishing in Indonesian waters.¹² Indonesia marked its Independence Day on 17 August 2016 with the sinking of three Chinese vessels apprehended for illegal poaching.¹³

The Philippines is also currently driven by the same populism wave to leverage on China as the source of capital for much-needed infrastructure development. One of Duterte's first major foreign policy changes was to seek rapprochement with China after years of strained ties over the South China Sea disputes under the administration of Benigno Aquino. He commented in an interview with China's Xinhua News Agency that China was a vital partner for development in the Philippines and that the Philippines' two million-strong ethnic Chinese minority should act as a bridge to encourage Chinese investment.¹⁴ In return, Beijing has kept its promise to bring Manila

10 "Widodo Will Use Visit to Boost China Ties," *South China Morning Post*, 25 March 2015.

11 Marcus Mietzner, "Reinventing Asian Populism: Jokowi's Rise, Democracy and Political Contestation in Indonesia," *Policy Studies*, no. 72 (Honolulu, Hawaii: East-West Center, 2015).

12 Arlina Arshad, "China Coastguard Tried to Intervene during Trawler's Seizure," *The Straits Times*, 31 May 2016. Retrieved from <http://www.straitstimes.com/asia/chinese-coast-guard-tried-to-intervene-during-trawlers-seizure>.

13 Haeril Halim, "RI to Mark Aug. 17 by Sinking 3 Chinese Fishing Boats," *Jakarta Post*, July 19, 2016. Retrieved from <http://www.thejakartapost.com/news/2016/07/19/ri-mark-aug-17-sinking-3-chinese-fishing-boats.html>.

14 "Interview: Philippine President Says 'Only China Can Help Us,'" *Xinhuanet*, 17 October 2016. Retrieved from http://news.xinhuanet.com/english/2016-10/17/c_135760893.htm.

on board the BRI and Duterte returned home from his visit to China in 2016 with a bounty of Chinese infrastructure investment and loan pledges worth US\$13.5 billion.¹⁵

Domestic political instability played a part in Thailand's shift towards China. Criticisms from the United States and other Western countries over the 2014 military coup has pushed the Thai military junta closer towards China, and even Russia. Shortly after the coup, China showed its vote of confidence in the Thai junta by sealing a series of bilateral deals. The first of such deals involved the purchase by China Mobile of an 18 per cent stake in True Group, the telecommunication and broadcasting unit of Thailand's influential Charoen Pokphand (CP) Group.¹⁶ Thailand is also home to a crucial section of the SKRL, and negotiations for a "rice and rubber for rail" deal are still underway between the two countries.

Moving further south to Malaysia, Prime Minister Najib Razak came close to being ousted by political opponents last year on allegations of corruption involving the troubled 1Malaysia Development Berhad (1MDB) state fund and the state-owned SRC International. China's timely acquisition of assets such as the Edra Global Energy Bhd and its subsidiaries gave Najib a much-needed lifeline. But it also limits Malaysia's room for manoeuvre vis-à-vis China and sparked fears of geopolitical consequences, particularly in the South China Sea, where Malaysia and China have overlapping claims.¹⁷ In his most recent visit to China, Najib launched a veiled attack on the West to stop lecturing countries they once exploited on how to conduct their internal affairs.¹⁸ He also signed a landmark deal to purchase four

15 "Philippines to Sign \$13.5B in Deals with China," *The Philippine Star* 20 October 2016. Retrieved from <http://www.philstar.com/headlines/2016/10/20/1635602/philippines-sign-13.5b-deals-china>.

16 "Upwardly Mobile," *Week in China*, 20 June 2014. Retrieved from <https://www.weekinchina.com/2014/06/upwardly-mobile/>.

17 Amy Chew, "China's Investment in Embattled 1MDB Throw Malaysian Prime Minister a Lifeline—But Carry a Hidden Price Tag," *South China Morning Post*, 12 January 2016. Retrieved from <http://www.scmp.com/news/china/diplomacy-defence/article/1900056/chinas-investment-embattled-1mdb-throw-malaysian-prime>.

18 "Najib Asks West to Stop 'Lecturing' as Malaysia Embraces China," *Reuters*, 2 November 2016. Retrieved from <http://www.reuters.com/article/china-malaysia-idUSL4N1D31LQ>.

Littoral Mission Ships from China.¹⁹ This led to widespread speculations that Malaysia was the latest country following the Philippines' footsteps in casting its lot with China.

ROLE OF NON-STATE ACTORS IN SOUTHEAST ASIAN RESPONSE TO THE BRI

The BRI has also sparked discussions among private sector players in different countries.²⁰ Businessmen, investors, and financial industry players are more focused on technical issues regarding potential BRI projects such as project feasibility, funding sources, pricing, and return on investment. Driven by corporate interests, such private sector players generally see the BRI as a treasure trove of business opportunities and rarely consider the strategic and political implications that the BRI may bring. This group of non-state actors, particularly ethnic Chinese businesses, are generally influential in their home countries and may potentially lobby their respective governments to be more receptive towards China's proposals. For instance, Thai-Chinese conglomerates such as the CP Group and the Central Group are some of the largest overseas Chinese investors in China. Another example is the Singapore Business Federation, which signed a Memorandum of Understanding with the Bank of China to foster strategic partnership in line with the BRI in November 2015.²¹ It also launched a dedicated portal on the

19 Lokman Mansor, "Malaysia Buys Navy Vessels from China," *New Straits Times*, 1 November 2016. Retrieved from <http://www.nst.com.my/news/2016/11/185136/malaysia-buys-navy-vessels-china>.

20 Ho Fah Woon, "'Belt-Road' to Benefit Businesses," *The Star Online*, 2 August 2015, <http://www.thestar.com.my/news/nation/2015/08/02/belt-road-to-benefit-businesses/>; "Inaugural Singapore Business Forum," Singapore Business Federation, accessed 25 January 2017, <http://www.sbf.org.sg/inaugural-singapore-regional-business-forum-2015/>; "Seminar di Hainan Tiongkok Hasilkan 15 Potensial Kontrak Bisnis Indonesia-China," *Ngelmu Online*, 18 November 2016, <http://www.ngelmu.com/2016/11/seminar-di-hainan-tiongkok-hasilkan-15.html>; "China Needs to Gain Trust for Its 'One Belt, One Road' Initiative," *The Jakarta Post*, 31 October 2015, <http://www.thejakartapost.com/news/2015/10/31/china-needs-gain-trust-its-one-belt-one-road-initiative.html>.

21 "SBF and Bank of China Sign 'One Belt, One Road' Global Strategic Partnership Agreement," Singapore Business Federation, 6 November 2016. Retrieved from <http://www.sbf.org.sg/singapore-business-federation-and-bank-of-china-sign-one-belt-one-road-global-strategic-partnership-agreement>.

BRI to “drive a deep understanding of OBOR among Singapore enterprises, as well as to offer Chinese readers around the world a Singaporean and Southeast Asian perspective on OBOR”.²²

Analysts have pointed out that China appreciates the strategic importance of the Chinese diaspora in regional economic and political affairs.²³ Factors such as a well-established system of mutual assistance and ties (*guanxi*) and business organisations make the overseas Chinese prime targets as conductors of Beijing’s foreign policy. Beijing actively pursues policies to connect culturally and politically with the Chinese diaspora, particularly in Southeast Asia, for economic and political benefits. Beijing uses tools such as incentive programmes, overseas recruitment, and special government entities to handle overseas Chinese populations. The BRI has become the latest of China’s soft power inducements through which Beijing attempts to exert strategic influence on the Chinese diaspora. There have been increasing calls by Beijing over the past decade to harness the politico-economic influence of overseas Chinese communities and conglomerates. President Xi and his predecessor Hu Jintao have called upon the overseas Chinese to remember their roots and play a part in Chinese nation-building on several occasions.²⁴ How such influential conglomerates and business federations affect policymakers is currently a matter of much speculation but one worthy of further research. More empirical data needs to be collected on the impact that Chinese business lobbies have on Southeast Asian governments with regard to the BRI.

22 Chong Koh Ping, “Lianhe Zaobao and Singapore Business Federation Launch ‘One Belt, One Road’ Portal,” *The Straits Times*, 8 March 2016.

23 Leo Suryadinata. “A New Orientation in China’s Policy towards Chinese Overseas? Beijing Olympic Games Fervour as a Case Study,” *CHC Bulletin*, August 2008; Amy Chang, “Beijing and the Chinese Diaspora in Southeast Asia: To Serve the People,” NBR Special Report no. 43, June 2013; Roman Pogorelov, “Overseas Chinese and Their Role in China’s Policies,” 27 March 2014. Retrieved from <http://journal-neo.org/2014/03/27/rus-huatsyao-ih-rol-v-politike-knr/>.

24 See Xi Jinping’s speech at the meeting of the 7th World Overseas Chinese Association, 6 June 2014, <http://cpc.people.com.cn/xuexi/n/2015/0717/c397563-27322408.html>; “Hu Calls for More Role of Overseas Chinese,” *Xinhua News Agency*, 8 March 2008, carried on website of China Internet Information Centre, http://www.china.org.cn/government/NPC_CPPCC_sessions2008/2008-03/08/content_11950513.htm.

CONCLUSION

This chapter presented a short examination of some factors affecting current Southeast Asian responses towards the BRI. Suffice it to say, the BRI in Southeast Asia is currently in a state of flux. In comparison with its policies towards Pakistan, Africa, and the Central Asian countries, China still does not have a clear direction in its economic policies towards the Southeast Asian countries. This uncertainty is compounded by the complicated domestic politics within the various Southeast Asian countries that China is seeking to work with on the BRI. Although it has been argued that China is exploiting the domestic situations in such Southeast Asian countries to undermine ASEAN centrality and unity, Beijing may be bogged down in a quagmire of indecision and structural inefficiencies in this region. Improper handling of bilateral and multilateral relations over BRI policies may then result in a significant geopolitical impact on China and the region.

The Indian Ocean and Indonesia's Global Maritime Fulcrum: Relevance To ASEAN

Ristian Atriandi Supriyanto

The year 2017 saw Indonesia hosting the first summit meeting of the Indian Ocean Rim Association (IORA) in Jakarta. The event is a testament to the significance Indonesia places on the Indian Ocean.¹ It lent further credence to President Joko Widodo's campaign to raise awareness of Indonesia's long-neglected maritime frontier to its west and south. However, for political and bureaucratic reasons, Indonesia's diplomatic thrust into the Indian Ocean is rife with contradictions.

Despite the rhetorical enthusiasm, the government has yet to craft a sound strategy for the Indian Ocean.² The lack of clear guidelines from the top levels of government means that each institution and agency is solely responsible for translating the policy precepts into practical action, despite the government's campaign for greater coordination and harmonisation in implementing them.

Consequently, the Indian Ocean might be exposed to the same kind of difficulties that Indonesia faced when dealing with ASEAN issues. Superficially, Indonesia's rhetoric on the Indian Ocean appears significant. In practice, however, the country has merely pursued quick, if modest, diplomatic victories designed to feed the narrative of being a "maritime power", "maritime nation", or any similar label the government might be keen to propagate.³

- 1 Marguerite Afra Sapii, "Indonesia to Host First Indian Ocean Summit," *The Jakarta Post*, 18 September 2016. Retrieved from <http://www.thejakartapost.com/news/2016/09/18/indonesia-to-host-first-indian-ocean-rim-association-summit.html>.
- 2 Ristian Atriandi Supriyanto, "A Policy without a Strategy: Indonesia's Future in the Indian Ocean," *Policy Forum*, 6 September 2016. Retrieved from <http://www.policyforum.net/policy-without-strategy/>.
- 3 Sekretariat Kabinet Republik Indonesia, "Pidato Presiden RI Joko Widodo Pada KTT-9 Asia Timur, Di Nay Pyi Taw, Myanmar" [President Joko Widodo's speech at the 9th East Asian Summit in Nay Pyi Taw, Myanmar], 14 November 2014, retrieved from <http://setkab.go.id/pidato-presiden-ri-joko-widodo-pada-ktt-ke-9-asia-timur-di-nay-pyi-taw-myanmar-13-november-2014/>; Vibhanshu Shekhar and Joseph Chinyong Liow, "Indonesia as a Maritime Power: Jokowi's Vision, Strategies, and Obstacles Ahead," Brookings Institution, 7 November 2014, retrieved from <https://www.brookings.edu/articles/indonesia-as-a-maritime-power-jokowis-vision-strategies-and-obstacles-ahead/>.

INDONESIA'S STAKES IN THE INDIAN OCEAN

The Indian Ocean is important to Indonesia (and Southeast Asia in general) for geographical, historical, economic, strategic, and environmental reasons, of which geography is the most immediate and self-evident. The entire length of Southeast Asia's western and southern coastline, from Myanmar to Indonesia's West Papua, faces the Indian Ocean.

This frontier is pierced by maritime chokepoints of global economic and strategic significance. The Straits of Malacca, Sunda, and Lombok are crucial to global shipping between the Indian and Pacific Oceans. In 2013, the Malacca Straits alone accounted for the transit of 15.2 million barrels of oil per day, which amounted to almost 27 per cent of the world's total oil trade by volume.⁴ The Indian Ocean is the conduit for much of Indonesia's commodity exports to Europe, the Indian subcontinent, the Middle East, and Africa. It is thus apt for Kenneth McPherson to describe the Indian Ocean as a "great maritime highway".⁵

While the strategic importance of the Indian Ocean has been recognised only very recently, not least due to the Atlantic- and Pacific-oriented strategic prism of the Cold War,⁶ its role as a highway stretches far back in history. Since the beginning of maritime commerce, the Indian Ocean has been a conduit for exchange between Europe, Africa, the Middle East, and South Asia, on one hand, and East Asia, on the other hand. It was through the Indian Ocean that Hindu priests, Buddhist monks, Muslim merchants, and Christian explorers first came into contact with Indonesia's pre-existing beliefs and customs. This endowed the archipelago with a rich tapestry of religious and cultural diversities.⁷ Yet, this was also where the Europeans began to colonise the indigenous populations, ushering in what K. M. Panikkar describes as the "Vasco da Gama epoch".⁸ It was when Indonesia

4 U.S. Energy Information Agency, "World Oil Transit Chokepoints." Accessed 25 January 2017, <http://www.eia.gov/beta/international/regions-topics.cfm?RegionTopicID=WOTC>.

5 Kenneth McPherson, *The Indian Ocean: A History of People and the Sea* (Oxford: Oxford University Press, 1993), 264.

6 Robert Kaplan, *Monsoon: The Indian Ocean and the Future of American Power* (New York: Random House, 2010), 6.

7 McPherson, *The Indian Ocean*, 3.

8 K.M. Panikkar, *Asia and Western Dominance: A Survey of the Vasco Da Gama Epoch of Asian History 1498–1945*, 2nd ed. (London: George Allen & Unwin, 1959), 13.

and most of Asia fell under European economic and, from the 19th century onwards, political domination until the Japanese shattered the aura of Western colonial invincibility in the Second World War.

History is also a testament to why the Indian Ocean continues to be economically significant at present. While maritime trade was first built in the region on such commodities as spices and other exotic goods, today's Indian Ocean draws the world's attention with oil, natural gas, and various seabed minerals, as well as fisheries. That Indonesia is the world's second largest marine capture producer after China has made fisheries a strategic commodity, arguably on par with oil and gas.⁹ It is partly why Indonesian President Joko Widodo's anti-illegal fishing campaign continues to receive popularity at home—yet remains controversial abroad.¹⁰

At the same time, the Indian Ocean is the epicentre of the world's flashpoints and conflicts, from the threat of nuclear wars to the scourge of extremism and terrorism.¹¹ Four of the world's top 15 military spenders are Indian Ocean countries, with combined defence expenditures in 2015 amounting to almost 10 per cent of the world's total.¹² India and Pakistan are two nuclear rivals, with their geopolitical and boundary disputes still partly unresolved, while Saudi-Iranian animosity has spilled over into the current conflicts in Yemen and Syria.

Extra-regional great powers, such as the United States, China, France, the United Kingdom, and Russia, retain various forms of military intent, if not presence, in the area. Meanwhile, multilateral architectures, such as the Indian Ocean Rim Association (IORA) and the Indian Ocean Naval Symposium (IONS), are still far from effective in dealing with existing tensions despite recent efforts by members, especially Indonesia as IORA's chair for

9 See Table 2, Food and Agriculture Organization, *The State of World Fisheries and Agriculture 2016* (Rome: FAO, 2016), 11.

10 Wahyudi Soeriaatmadja, "Feisty Susi Pudjiastuti Lends Teeth to Jokowi's Maritime Plans," *The Straits Times*, 4 April 2016, <http://www.straitstimes.com/asia/feisty-susi-pudjiastuti-lends-teeth-to-jokowis-maritime-plans>.

11 A summary of strategic issues and risks is provided in Anthony Cordesman and Abdullah Toucan, *The Indian Ocean Region: A Strategic Net Assessment* (Washington: Centre for Strategic and International Studies, 2014), 6–7.

12 They are Saudi Arabia, India, Australia, and the United Arab Emirates. See Sam Perlo-Freeman et al., "Trends in World Military Expenditure, 2015," *SIPRI Fact Sheet*, last modified April 2016, <http://books.sipri.org/files/FS/SIPRIFS1604.pdf>.

2015–2017, to reinvigorate regional institutionalism.¹³ All these issues are sources of persistent strategic concern, especially for the small and middle littoral powers.

Finally, strategic concerns co-exist with ecological ones. The Indian Ocean is one of the world's most geologically active regions. Volcanoes, earthquakes, and tsunamis are but a few natural disasters that threaten one of the world's most populous regions. Around 5.5 million Indonesians in five major cities along the Indian Ocean coastline live at the mercy of the Indo-Pacific tectonic plate, which triggered the 2004 Boxing Day tsunami and successive earthquakes, claiming at least 200,000 victims.¹⁴ Compounding this is the threat of global warming and sea level rise that has been putting pressures on low-lying coastal communities for two reasons. First, global warming degrades the quality of the marine habitat they depend on for their livelihood. Second, the rising seas gradually encroach on and claim areas where these communities have lived for generations. The risk of so-called "climate refugees" is only a matter of time.¹⁵

The importance of the Indian Ocean to Indonesia should not be confused with the enthusiasm to do something about it. Indonesia's national geographical motto of "crossroads location" (*posisi silang*) between the Indian and Pacific Oceans obscures the specific importance Indonesia accords to each.¹⁶ It is hard to tell what Indonesia's Indian Ocean "identity" is, if at all, especially in the maritime concept that President Widodo is trying to promote.

THE GLOBAL MARITIME FULCRUM

The election of President Joko Widodo in November 2014 placed the maritime sector as the government's top development priority for the first time.

13 Tama Salim, "RI to Enhance Regionalism as New Chair of IORA," *The Jakarta Post*, 22 October 2015, <http://www.thejakartapost.com/news/2015/10/22/ri-enhance-regionalism-new-chair-iora.html>.

14 This population estimate is adapted from Thomas Brinkhoff, *City Population*, accessed 25 January 2017, <http://www.citypopulation.de/Indonesia-MU.html>.

15 Damian Carrington, "Climate Change Will Stir 'Unimaginable' Refugee Crisis, Says Military," *The Guardian*, last modified 1 December 2016.

16 Evan Laksmana, "The Enduring Strategic Trinity: Explaining Indonesia's Geopolitical Architecture," *Journal of the Indian Ocean Region* 7, no. 1 (2011): 97.

Criticisms levelled against Widodo's "Global Maritime Fulcrum" (*Poros Maritim Dunia* or PMD) concept include that the concept was a half-baked idea; that it focuses too much on the domestic and economic dimensions; that it lacks practical elaboration and guidelines for those responsible for implementation; and that it does not inspire confidence even in Widodo himself regarding its long-term feasibility as a development agenda.¹⁷ These critiques are, admittedly, legitimate. What they failed to admit, however, was the concept's inspirational significance, if only in rhetorical terms. The fact that it became a government political agenda at all is a success in itself.¹⁸

For all its faults, the PMD is a reminder of what is obvious in Indonesia's maritime strategic thinking: that of an archipelago and a maritime crossroads. Indonesia's archipelagic geography would not matter as much were it located where New Zealand, Iceland, or Madagascar are. Yet, the very fact that the archipelago is located along the shortest and busiest shipping routes that link the Indian and Pacific Oceans makes Indonesian waters, at least to some, a strategic liability. Consequently, the PMD is the initial edifice to turn this liability into a strategic asset—that Indonesia will not only remain a crossroads between the two great oceans, but will become a key player in their affairs as well.¹⁹ This is where Indonesia's Indian Ocean activism of late gets its momentum.

On the flip side, the Indonesian government is still very vague on turning PMD's policy precepts into practical action. Since the PMD has bound the Indonesian government to "show presence" in the Indian Ocean, one cannot avoid the impression that Indonesia's present enthusiasm in the Indian Ocean is just a showcase of its maritime diplomacy as one key pillar of PMD.²⁰ In other words, Indonesia might not have shown as much interest in the Indian Ocean had the PMD not been around.

17 Donald Weatherbee, "Understanding Jokowi's Foreign Policy," *Trends in Southeast Asia*, no. 12 (2016): 17–19.

18 Ristian Atriandi Supriyanto, "Developing Indonesia's Maritime Strategy," *The Asan Forum*, last modified 22 February 2016, <http://www.theasanforum.org/developing-indonesias-maritime-strategy-under-president-jokowi-1/#20>.

19 Rendi A. Witular, "Jokowi Launches Maritime Doctrine to the World," *Jakarta Post*, 13 November 2014. Retrieved from <http://www.thejakartapost.com/news/2014/11/13/jokowi-launches-maritime-doctrine-world.html>.

20 Adelle Neary, "Jokowi Spells out Vision for Indonesia's 'Global Maritime Nexus,'" *CSIS Commentary*, 26 November 2014, <https://www.csis.org/analysis/jokowi-spells-out-vision-indonesia%E2%80%99s-%E2%80%9Cglobal-maritime-nexus%E2%80%9D>.

Only time can tell whether Indonesia's IORA chairmanship, and its Indian Ocean activism in general, will generate tangible benefits beyond diplomatic status and prestige abroad. There is always a possibility that the PMD's bias towards the tangibles and the domestic could cause Jakarta's Indian Ocean activism to run out of steam after Indonesia leaves the IORA's chair in 2017, or at least once President Widodo is out of office.

Also, given President Joko Widodo's lack of training, experience, and arguably, personal stake, in foreign and strategic affairs, there are signs that the PMD is getting caught inside Jakarta's notorious bureaucratic turf battles.

Although the release of the white paper and action plan on "Indonesia's Ocean Policy" (KKI) in February 2017 helped clear some of the PMD's definitional and conceptual ambiguities, the two documents fall short of clarifying the proposed projects in the PMD implementation itself.²¹ Not only does the KKI expect a very short timeframe (3–4 years, running from 2016 to 2019), it is also bereft of a financing strategy to fund projects, a few of which are quite ambitious, such as the acquisition of a naval Landing Helicopter Dock (LHD). More importantly, the documents fail to call for a "single authoritative agency" to reduce, if not eliminate, bureaucratic turf battles.²²

Instead, each government ministry and agency appears to maintain its own practical definition of PMD with only little or no coordination.²³ At least for the Indian Ocean in general and the IORA in particular, the Indonesian Ministry of Foreign Affairs (*Kemlu*), for institutional and intellectual reasons, is still the main institution in charge at the practical level. The establishment of the Coordinating Ministry of Maritime Affairs (*Kemenko Maritim*), however, has blurred the lines and areas of responsibility. Its website claims it has the authority to coordinate, synergise, and

21 Presidential Regulation No. 16 of 2017 dated 20 February 2017, on "Indonesia's Ocean Policy [*Kebijakan Kelautan Indonesia*, KKI]". Humas, "Presiden Jokowi Teken Perpres Kebijakan Kelautan Indonesia" [President Jokowi Signed the Presidential Regulation on Indonesia's Ocean Policy], *Sekretariat Kabinet Republik Indonesia*, 1 March 2017, <http://setkab.go.id/presiden-jokowi-teken-perpres-kebijakan-kelautan-indonesia/>.

22 Evan Laksmana, "Indonesian Sea Policy: Accelerating Jokowi's Global Maritime Fulcrum?" *Asia Maritime Transparency Initiative*, 23 March 2017, <https://amti.csis.org/indonesian-sea-policy-accelerating/>.

23 Weatherbee, "Understanding Jokowi's Foreign Policy," 19.

control the implementation of “policies concerning maritime affairs”, including maritime diplomacy and foreign policy.²⁴ How such coordination is undertaken with *Kemlu* is not clear. The good news is that the secondment of diplomats and maritime law experts to *Kemenko Maritim* indicates an attempt to capitalise on *Kemlu*’s record of accomplishment in spearheading maritime diplomacy, especially on issues pertaining to the Law of the Sea and maritime confidence-building measures.

RELEVANCE TO ASEAN

It is hard to understand, within the current political and bureaucratic constraints, how the PMD would drive Indonesia’s Indian Ocean activism.²⁵ It is even harder to understand how this development, should it eventuate, would affect ASEAN. One plausible explanation is that Indonesia’s activism in IORA is only a complement to ASEAN, where Indonesian diplomacy has grown stronger roots and, therefore, influence. Given IORA’s much later establishment and wider diversity in membership than ASEAN, it is unlikely that IORA would captivate Indonesia’s interest as much as ASEAN has.

Instead, the reverse is more likely. Indonesia is trying to sell to IORA what it considers ASEAN has achieved. Indonesian diplomats have used their country’s IORA chairmanship to promote ASEAN-styled initiatives, of which the “IORA Concord” and the one-off “IORA Summit” are the clearest examples.²⁶ Other initiatives seem entirely or partly novel, such as the promotion of “Blue Economy” projects and the establishment of the IORA Business Innovation Centre.²⁷

As is the case with ASEAN, Indonesia’s diplomatic engagements with the Indian Ocean would take a strong normative focus centred on a multi-lateral consensus-building approach. Indonesia may propose the declaration of an Indian Ocean version of the Zone of Peace, Freedom and Neutral-

24 See *Kemenko Maritim*, “Tugas dan Fungsi,” <http://maritim.go.id/tugas-dan-fungsi/>; and “Program Kerja,” <http://maritim.go.id/program-kerja/>.

25 Aaron Connelly, “Sovereignty and the Sea: President Joko Widodo’s Foreign Policy Challenges,” *Contemporary Southeast Asia* 37, no. 1 (2015): 1–28.

26 Yuri Thamrin, “Visi IORA Concord,” *IORA Kemlu*, last modified 18 September 2015, <http://iora.kemlu.go.id/news/view/12>.

27 “Indian Ocean Rim Association,” *Kemlu*, accessed 25 January 2017, <http://www.kemlu.go.id/id/kebijakan/kerjasama-regional/Pages/IORA.aspx>.

ity (ZOPFAN) Treaty, much like its ASEAN equivalent in 1971. It would commit the signatories to a code of conduct aimed primarily at peaceful settlement of international disputes and, more importantly, making sure the region is “free from any form or manner of interference by outside powers”.²⁸ IORA may also import some of ASEAN's expanded architectures, such as the ASEAN Regional Forum (ARF), the ASEAN Defence Ministers' Meeting (ADMM), and the ASEAN Maritime Forum (AMF).

Although not all these institutions are relevant to the Indian Ocean context, their nature and purpose can fit in some regional circumstances. For instance, the AMF, with a focus on maritime safety and connectivity, does resonate with IORA's agenda on improving maritime safety and security, whereas the ARF and ADMM are less so, owing to IORA's traditional aversion to open and formal discussions on defence and security issues of regional sensitivity.²⁹ The Track 1.5 Third Indian Ocean Dialogue, held under the IORA's auspices in April 2016, has accommodated some of these issues, including the importance of navies, coastguards, and other maritime law enforcement agencies “to explore every possible cooperation to tackle traditional and non-traditional threats in the region”.³⁰ The extent to which the IORA can address such “traditional” threats is, however, still murky at present.

A greater role in the Indian Ocean would also present challenges unprecedented in Indonesia's experience with ASEAN. First, the Indian Ocean has historically been the strategic domain of its largest resident power, India. Like in ASEAN, where Indonesia assumes itself, and has been regarded, as the first among equals, India might accommodate Indonesia's greater role in the Indian Ocean only with some reluctance, if not suspicion, since New Delhi is portrayed as the region's “natural leader”.³¹ Whatever role Jakarta desires to play in the Indian Ocean will thus depend on the terms of its relationship with New Delhi. India's reluctance to accommodate Indo-

28 “1971 Zone of Peace, Freedom and Neutrality Declaration,” last modified 27 November 1971, <http://www.icnl.org/research/library/files/Transnational/zone.pdf>.

29 Sam Bateman, “Maritime Security Governance in the Indian Ocean Region,” *Journal of the Indian Ocean Region* 12, no. 1 (2016): 15.

30 “Padang Consensus,” IORA, last modified 14 April 2016, http://www.iora.net/media/164376/160414_padang_consensus_as_of_11_35_pm.pdf.

31 David Brewster, *India's Ocean: The Story of India's Bid for Regional Leadership* (Abingdon, Oxon: Routledge, 2014), 1.

nesia's Indian Ocean activism would render the latter hollow and impotent even if other littoral countries, such as Pakistan, might receive it favourably.

Second, Indonesia has admittedly less stake, at least commercially, in Indian Ocean affairs than in Pacific affairs. The combined value of Indonesia's trade with India and Australia—the two closest and geographically largest Indian Ocean neighbours—is only a fraction compared to its trade with China or with Japan.³² Moreover, however uncertain U.S. President Trump's foreign policy is, Indonesia's relationship with Washington will remain critical, given America's position as one of Indonesia's top trade, investment, and defence partners. This, as well as Indonesia's ASEAN-first foreign policy, means that Jakarta will continue looking north and east towards the Pacific.

Third, while Southeast Asia and the Indian Ocean region have both witnessed some degree of great power competition, sometimes with violent consequences, the latter has arguably drawn a larger great power presence by virtue of its sheer geographical scope and importance in global maritime communications. The South China Sea dispute appears to have already overwhelmed Indonesia's capacity to prevent great power competition from undermining ASEAN unity.³³ Ambitious efforts in the Indian Ocean would only stretch this capacity further.

Finally and most importantly, Indonesia's appetite for wider diplomatic engagements beyond ASEAN, without immediate tangible economic benefits, is uncertain at best owing to political and bureaucratic difficulties at home. More likely, the government will implement the PMD strictly within the confines of its national economic development agenda by building more infrastructure and attracting foreign investment, which is likely to originate primarily from Indonesia's main Pacific trade partners.³⁴

32 Data adapted from the Observatory of Economic Complexity, accessed 25 January 2017, <https://atlas.media.mit.edu/en/profile/country/idn/>.

33 Ralf Emmers, "Indonesia's Role in ASEAN: A Case of Incomplete and Sectorial Leadership," *The Pacific Review* 27, no. 4 (2014): 547–549; Amitav Acharya, "Is ASEAN Losing Its Way?" *YaleGlobal*, last modified 24 September 2015, <http://yaleglobal.yale.edu/content/asean-losing-its-way>.

34 "Indonesia's Global Maritime Fulcrum Challenges and Trajectories," *Event Report*, 23 July 2015 (Singapore: S. Rajaratnam School of International Studies, 2015), 13, https://www.rsis.edu.sg/wp-content/uploads/2016/07/ER160714_Global-Maritime-Fulcrum.pdf.

Given these challenges, the IORA has indeed become a suitable ground to test the extent of Indonesia's diplomatic power projection into the Indian Ocean. Indonesia's normative multilateral consensus-building approach would ensure the adoption of a code of conduct based on the lowest common denominator acceptable to all—one that only institutionalises the status quo. Even if Indonesia fails to achieve this objective, the costs would likely be low in real terms. On the other hand, success would lend further credence to the PMD concept and would confirm and perpetuate the narrative of Indonesia as a maritime fulcrum.

Bay of Bengal: What Implications for ASEAN?

Rajni Gamage

INTRODUCTION

The Bay of Bengal is a key strategic sub-region within the Indian Ocean Region (IOR), functioning as a “hinge” between the Indian and Pacific Oceans. Bordered by India and Sri Lanka to the west, Bangladesh to the north, and Myanmar and Thailand to the east, the sub-region is marked as a cockpit for economic growth. Its waters are rich in fisheries, marine life, and hydrocarbons but it is one of the least explored or extracted offshore and inshore regions.¹ The prospects for a new set of “Bengal Tigers”, driven by the growing economies of India and Myanmar, further underlie the increasing strategic importance of the sub-region.²

COUNTRY-SPECIFIC ANALYSIS

The states along the coast of the Bay witnessed a number of critical domestic political developments over the past few years, which inevitably impact the prospects for sub-regional maritime security cooperation.

-
- 1 In recent years, rich energy deposits have been discovered in the offshore areas of Myanmar (Gulf of Martaban and off the Rakhine coast), inland and offshore areas of Bangladesh, and the Kaveri, Godavari, and Krishna basins on the east coast of India.
 - 2 The term was coined by David Brewster with reference to the phenomenon of the four “Asian Tigers”—Hong Kong, Singapore, South Korea, and Taiwan—which had very high growth rates between the early 1960s and the 1990s. See Brewster, “The Rise of the Bengal Tigers: The Growing Strategic Importance of the Bay of Bengal,” *Journal of Defence Studies* 9, no. 2 (April – June 2015): 81–104. Based on 2015 figures, Myanmar’s annual gross domestic product (GDP) growth rate was 7.3 per cent; India’s GDP growth rate was 7.9 per cent (see The World Bank, http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?end=2015&name_desc=true&start=2015).

Myanmar

The most significant development in recent years is Myanmar's "strategic realignment". Following positive responses by Western and regional countries to its internal political reforms since 2011, Myanmar has gradually shifted from an almost total dependence on China and inward-looking focus. The "normalisation" of Myanmar has economic and geopolitical significance for the Bay of Bengal, as cooperation within the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIM-STEAC) has in the past been hampered by Myanmar's isolationism and pariah status. Myanmar has already begun strengthening its naval capabilities, initiating a programme of indigenously-built frigates, while importing some at present as a stop-gap measure.³

India

In India, the Modi administration is seen to adopt a proactive and assertive policy stance on maritime-related affairs through a number of domestic (such as the "Sagar Mala" project)⁴ and foreign policy initiatives (such as the "Neighbourhood First Policy" and "Project Mausam").⁵

Sri Lanka

Improving relations between the strategically-located island-state and India since the Sirisena-Wickremesinghe administration took office in January 2015—including the ongoing bilateral negotiations for an Economic and Technology Cooperation Agreement (ETCA) and the significant steps taken by both countries in 2016 towards resolving their fishing dispute—augur well for increased maritime security cooperation in the Bay of Bengal. During PM Modi's latest visit to the island in April 2017, discussions were held on the state-owned Indian Oil Corporation's US\$350 million project

3 In 2010, Myanmar commissioned the *Aung Zeya*, followed by the acquisition of two former PLAN Jianghu I class frigates, *Kyan Sit Thar* and *Sin Phyu Shin*, in 2014.

4 The "Sagar Mala" project is a strategic and commercial initiative that aims at Indian port modernisation being a significant driver of India's economic growth.

5 The "Neighbourhood First Policy" seeks to establish an active focus on India's immediate neighbours, who also comprise the bulk of the Bay of Bengal states. "Project Mausam" aims to revive India's ancient maritime routes (and cultural and trade linkages) with a diverse group of states and regions connected with the Indian Ocean.

proposal of developing an 84-tank facility at the strategically-located Trincomalee port in Sri Lanka.⁶

Bangladesh

Of all the Bay states, Bangladesh is by far the most assertive in leading the discourse on the “Blue Economy”—the sustainable use of ocean resources for national economic and social development. Besides this, Bangladesh has played an exemplary role in resolving its maritime disputes with India and Myanmar through referral to international arbitration. At the same time, augmentation of its naval capabilities is ongoing, with the acquisition of two Ming-class submarines from China in 2016. Such proactiveness on the part of this smaller state may provide the impetus (that has so far been limited) for India to increase its engagement with the Bay states so as to not lose out to China.⁷

Thailand

In Thailand, the military junta that assumed power in 2014 has been preoccupied with domestic affairs. This preoccupation is expected to reduce the likelihood of Thailand pursuing bilateral or multilateral maritime (and other areas of) cooperation on the Indian Ocean, given the reluctance of some countries to deal with an unelected government that came to power through a coup. Nonetheless, bilateral discussions were held between Thailand and India in June 2016 on maritime security, trade and connectivity, and other topics of importance. In January 2017, Thailand signed a memorandum of understanding (MoU) with Myanmar on joint development of marine tourism.

-
- 6 Iain Marlow and Saket Sundria. “India Nips at China’s Heels in Race to Collect Lanka Port Assets.” *Bloomberg*, 26 April 2017. <https://www.bloomberg.com/politics/articles/2017-04-25/india-nips-at-china-s-heels-in-race-to-collect-lanka-port-assets>.
 - 7 This is perhaps already evident in India Ports Global, a joint venture between the state-run Mumbai-based Jawaharlal Nehru Port Trust and the Gujarat-based Kandla Port Trust for developing overseas ports, being a frontrunner for the contract to construct Bangladesh’s Payra port. Moreover, during Indian Defence Minister Manohar Parrikar’s visit to Dhaka in November 2016, discussions regarding a new bilateral defence agreement were held.

In terms of existing maritime security cooperation measures within the sub-region, the dominant mode of cooperation is at the bilateral/trilateral levels. India's relative power preponderance is evident in it being the common denominator in these "mini-lateral" cooperation ventures, with there being no maritime security cooperation between or among the other Bay states. India undertakes bilateral Coordinated Patrols (CORPAT) with Thailand and Indonesia, which encompass a range of maritime security issues. While there are plans to include Myanmar in these patrols, the Indian and Myanmar navies conducted bilateral exercises from 2013 onwards to increase maritime security awareness, and covered aspects concerning poaching, gun running, drug trafficking, and associated issues. India also signed a trilateral maritime cooperation pact with Sri Lanka and the Maldives in 2013⁸ and signed an MoU with Bangladesh on the issue of maritime cooperation in 2015. There are, nevertheless, some multilateral exercises hosted within the Bay of Bengal, such as Exercise Milan (by India) and Exercise Cormorant Strike (by Sri Lanka), which include Bay states but are not limited to them.

SOURCES OF INSECURITY

Traditional security issues

Not unlike other areas of the Indo-Pacific, the Bay of Bengal is host to various sources of insecurity. On the traditional security front, the power contest between the two rising Asian giants, China and India, is highly evident in the Bay of Bengal and its respective maritime waters, which India considers its own strategic backyard. India's leading maritime security role in the Bay of Bengal, being a function of its geographic advantages, relative capabilities, and its perceived strategic imperatives, has taken on added vigour since the Modi administration came into power in 2014. While this leading role is partly a result of its steady economic growth over the past decade and the accompanying ambitions of becoming a continental (and eventually a global) power, the primary drivers are China's increasing economic, political, and strategic relations within the subcontinent.

China has over 80 per cent of its oil imports coming from the Middle

8 Mauritius and the Seychelles have since attended this trilateral grouping's last meeting in 2014 as "guests", and their inclusion into an expanded initiative is expected.

East and Africa via the IOR and depends on security within the sea lines of communication (SLOCs) for the safe transit of its sea trade. In light of these interests, China has pursued the revival of the Maritime Silk Route (MSR) as a strategy to establish the influence of the People's Liberation Army Navy (PLAN) across the IOR. Within the Bay of Bengal, China provides developmental assistance in the construction of strategic maritime infrastructure, including projects such as Hambantota port in Sri Lanka (80 per cent of which was slated for a debt-for-equity swap in December 2016), and the US\$500 million Colombo South Container Terminal (CSCT). In January 2016, China's CITIC Group Corporation won a contract to build a deep-water port in Kyaukpyu, Myanmar. China is also currently involved in upgrading the US\$8.7 billion Chittagong port in Bangladesh. Although Bangladesh's ruling party decided to shelve plans for the construction of a deep-sea port at Sonadia in mid-2016, prospects for its revival in the future remain a possibility.⁹ In Thailand, China is keen on the development of the Kra Canal project, which would connect the Gulf of Thailand with the Andaman Sea, thereby providing an alternative to transit through the Straits of Malacca. In May 2015, there were reports of an MoU being signed by the China-Thailand Kra Infrastructure Investment and Development company to advance the project, but these were denied later by both governments.

The chances of armed conflict between India and China in the sub-region are not high at present, especially given China's limited power projection capabilities in the IOR. However, the threat of tensions escalating and sparking off incidents at sea remains as a result of the traditional sources of India's antagonism with China¹⁰ and/or the spillover of increasing tensions from the South China Sea over maritime territorial disputes between China and its neighbouring states.

9 In Sri Lanka, too, the Chinese-funded Colombo Port City Project (now known as the Colombo International Financial City) was suspended in 2015 following the incoming administration's "rebalancing" strategy towards India, Japan, and the Western powers. However, the country's balance of payment crisis in early 2016, and the limited capacity of the aforementioned states, forced the leadership to rethink its foreign policy, and in December 2015 it gave the green light to China Harbour Engineering Corporation to resume work on the project.

10 These include the deployment of troops by both countries in mid-2016 to the Ladakh border area over which both states make disputed claims, and the continued Chinese military assistance to Pakistan in the face of the September 2016 India-Pakistan military confrontation following the Uri terror attacks.

Non-traditional security issues

The less-publicised, yet, equally important, sources of insecurity in the sub-region come in the form of non-traditional security (NTS) issues. At the same time, NTS issues, being largely trans-boundary in nature, function as catalysts that are ideal for testing and strengthening new methods of maritime security cooperation and capabilities in the Bay of Bengal.

Of these issues, refugees and human trafficking is of primary concern. The May and June 2015 Rohingya refugee crisis involved the mass migration of thousands of people from Myanmar and Bangladesh, who attempted to cross the Bay of Bengal for refuge in Southeast Asian countries further south and were stranded in the Andaman Sea. These waves of refugees pose an added risk of being vulnerable to targeting by criminal networks involved in arms and drugs smuggling, sea pirates, and Islamist militants.

The Rohingya issue has led to a downturn in Myanmar's relations with its neighbours, especially Bangladesh, with a real reduction in bilateral trade and commerce, and abrupt cancellation by Myanmar of bilateral talks between senior officers scheduled for mid-October 2016.¹¹ While there have been some efforts by regional states, such as an extraordinary ASEAN ministerial meeting on transnational crime in 2015, where commitments to establish a task force and a humanitarian fund were made, there has been no concrete progress on these fronts, and the association has mostly remained silent on this issue.¹² Meanwhile, at the 6th Ministerial Conference of the Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime, members endorsed a proposal to enable the co-chairs to consult and convene meetings with affected and interested members when similar emergency situations arise in future.

The Bay of Bengal is also highly vulnerable to natural disasters such as earthquakes, tsunamis, floods, tidal surge, groundwater contamination, drought, famine, and cyclones. The more recent cyclones that struck the

11 "Myanmar Bans Workers Going to Malaysia as Rohingya Crisis Grows," *The Business Times*, 7 December 2016, <http://www.businesstimes.com.sg/government-economy/myanmar-bans-workers-going-to-malaysia-as-rohingya-crisis-grows>.

12 Julia Mayerhofer and Lilianne Fan, "Refugees and Maritime Movement in Southeast Asia 2015," *The Green Political Foundation*, last modified 23 November 2015, <https://www.boell.de/en/2015/11/23/refugees-and-maritime-movement-southeast-asia-2015>.

sub-region were Cyclone Hudhud (October 2014), Cyclone Roanu (May 2016), Cyclone Vardah (December 2016), and Cyclone Mora (May 2017), all of which took severe tolls on property and human lives. Natural disasters provide scope for regional humanitarian assistance and disaster relief (HADR) cooperation and the Indian navy has been a key player in this regard. The Indian navy made HADR and search and rescue (SAR) operations a focus area in the biennial Milan exercises that it organises in the Bay of Bengal. The recently released BIMSTEC Leader's Retreat 2016 Outcome Document also expresses commitment to encourage closer cooperation in disaster management through a number of means and to explore the possibility of establishing partnerships with other regional and international entities in this sector.

Other NTS issues in the sub-region include: (1) Sea piracy: In 2015, the majority of such incidents were on board ships at anchor/berth—10 in Bangladesh (Chittagong, Kutubdia Island) and 10 in India (including Kakinada and Visakhapatnam)¹³; (2) Illegal, unreported and unregulated (IUU) fishing, a practice that negatively impacts the livelihoods of many coastal communities, as well as the ecological composition of the oceans.¹⁴ For instance, according to the Central Inland Fisheries Research Institute (CIFRI) and the Bangladesh government's fisheries department, the Hilsa (*tenualosa ilisha*) catch in the Bay of Bengal has declined by around 90 per cent between 2000 and 2015¹⁵; (3) Large-scale human displacement necessitated by climate change and rising sea levels. Already, many islands off the coasts of Bangladesh and India are shrinking dramatically as a result of some of the fastest-recorded sea-level rises in the world (8mm per year) and rapid coastal erosion.

13 However, these 10 incidents include those which occurred in Western Indian coastal areas as well—including in Kandla and Sikka—"ReCAAP Annual Report 2015," http://www.recaap.org/DesktopModules/Bring2mind/DMX/Download.aspx?Command=Core_Download&EntryId=421&PortalId=0&TabId=78.

14 Karen McVeigh, "On the Climate Change Frontline: The Disappearing Fishing Villages of Bangladesh," *The Guardian*, last modified 20 January 2017, <https://www.theguardian.com/global-development/2017/jan/20/climate-change-frontline-disappearing-fishing-villages-bangladesh>.

15 Jayanta Basu. "With Hilsa Fish Declining, Ganga Losing its Silver Sheen." *The Wire*, 18 April 2016. Retrieved from <https://thewire.in/30142/with-hilsa-fish-declining-ganga-losing-its-silver-sheen/>; "Report of the 20th Session of the Indian Ocean Tuna Commission." Indian Ocean Tuna Commission, La Reunion, France, 23–27 May 2016. Retrieved from <http://www.iotc.org/sites/default/files/documents/2017/02/IOTC-2016-S20-RE.pdf>, 64.

BIMSTEC

The Bay of Bengal is highly under-institutionalised in comparison to the ASEAN or Asia Pacific regions in terms of maritime security governance, with more comprehensive mechanisms like the Indian Ocean Rim Association (IORA) and the Indian Ocean Naval Symposium (IONS) addressing maritime security only to a limited extent and mostly ineffective at addressing specialised sub-regional issues. The IOR comprises a number of sub-regions, each facing its own set of maritime security issues. To treat it as a whole is not useful for security or economic regionalism; it is more practical to proceed with evolving instruments of maritime cooperation within its sub-regional units, with the aim of gradually developing a “common denominator for the entire region when conditions are more appropriate and after instruments of cooperation between these sub-systems are fully operational”.¹⁶

In fact, regional states have adopted the evolutionary approach in the economic realm, such as through the South Asia Subregional Economic Cooperation (SASEC) mechanism and the Bangladesh, Bhutan, India, Nepal (BBIN) initiative.¹⁷ In the ASEAN region, too, sub-regional processes predated more institutionalised developments in regional security cooperation, such as the ASEAN Defence Ministers’ Meeting (ADMM) and ADMM-Plus, with states shifting the mutual trust developed over time onto larger multilateral groupings.¹⁸

Although BIMSTEC’s primary concerns are sub-regional economic and social development, it also has the potential to be a vehicle for maritime security governance. BIMSTEC’s working mechanism supports such a progression within itself, given its multi-sectoral approach, adding on sectors to its agenda depending on the necessity. Moreover, BIMSTEC’s “majority based” decision-making procedures means that unanimous consent is not required—if three member-countries agree on any project, it can be brought under the ambit of BIMSTEC.

16 K. R. Singh, “Regional Cooperation in the Bay of Bengal: Non-Conventional Threats – Marine Dimensions,” *Strategic Analysis: A Monthly Journal of the IDSA*, March 2001, 2199–2217, <http://www.idsa-india.org/an-mar-5.01.html>.

17 SASEC brings together India, Bangladesh, Bhutan, Nepal, Sri Lanka, and the Maldives, with the aim of boosting intra-regional trade and cooperation in South Asia. The BBIN initiative is another such sub-regional economic grouping.

18 David Brewster, “India’s Defense Strategy and the India-ASEAN Relationship,” *India Review* 12, no. 3 (2013): 160.

Therefore, while BIMSTEC started with six economic-related priority areas in 1998, security issues, including counter-terrorism and transnational crime, have been included since the 8th Ministerial Meeting in 2005. Moreover, following the inaugural outreach summit between the leaders of BIMSTEC and the BRICS (or Brazil, Russia, India, China, and South Africa) countries held in October 2016 in Goa, India, coupled with the cancellation of the South Asian Association for Regional Cooperation (SAARC) Summit scheduled for 2016, it is likely that BIMSTEC will become increasingly more prominent and effective.¹⁹

Determining a workable and commonly agreeable framework of cooperative security in the Bay of Bengal, however, will require strong political will and trust among member states. Some of the key issues that need to be resolved include: what are the priority areas for maritime security cooperation in the region, in working towards a common working definition, and how can they be addressed at the tactical and strategic levels? Should security cooperation mechanisms be ad hoc or institutionalised? Should cooperation begin at the bilateral or mini-lateral level or should it require a multilateral, concerted response? What is the nature of cooperation among states, i.e. with respect to norms of sovereignty, cooperation between coastguards and navies, coordination with law enforcement agencies on land, etc.? Should contributions by member states be equal or weighted according to national economic capabilities and maritime security interests? Should extra-regional member states be allowed to provide financial and technical assistance and participate in sub-regional initiatives, or be only granted Observer status? What maritime security governance instruments are applicable to the region (e.g. the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia or ReCAAP, Long Range Identification and Tracking [LRIT] of ships, International Ship and Port Facility Security Code, Container Security Initiative and Port Security enhancements) and to what extent have they been adopted by the sub-regional states?

19 Kamal Madishetty, "Goa Summit Could Be the Turning Point for BIMSTEC," *The Diplomat*, last modified 2 November 2016, <http://thediplomat.com/2016/11/goa-summit-could-be-the-turning-point-for-bimstec/>.

INTERESTS AND IMPLICATIONS FOR ASEAN

As geopolitical power expands from the Asia Pacific to the Indo-Pacific, policymakers in ASEAN should pay closer attention to the Bay of Bengal region, it being the most geographically proximate section of the IOR to the ASEAN region. ASEAN has high economic (and by extension, strategic) stakes in the security of the SLOCs in the Bay of Bengal as any tensions or security threats in this sub-region impinge directly on the significant levels of regional trade and energy supplies transiting these sea lanes.²⁰ The presence of non-traditional security threats coupled with the absence of a comprehensive mechanism of maritime security governance at the regional or sub-regional levels is problematic as responses to eventual security crises often prove to be reactive and inadequate.

One of the recommendations made, therefore, is that existing security forums in the Asia Pacific, at both the Track One and Track Two levels, make the Bay of Bengal an issue of high priority on their agenda.²¹ These forums usually include three of the Bay of Bengal states, i.e. India, Thailand, and Myanmar, and discussions and dialogue with these partners can be aimed at fostering a deeper appreciation and even providing assistance (where feasible) for institutionalised, multilateral maritime security governance mechanisms (complementing self-reliance measures at the national level) to be established at the sub-regional level. ASEAN and its member states possess a wealth of policy expertise and operational know-how on issues ranging from tackling piracy to fostering deeper regional economic integration, and it is in their interests to share such best practice.

Second, the growing naval presence of regional and extra-regional powers in the IOR increases the chances of misperception and risks of conflict, especially between India and China. A two-way conflict between these two Asian powers is likely to emerge in the long term, with the United States being preoccupied with its commitments in East Asia and the Middle East and unable to act as a countervailing presence in the IOR. While tensions between these two Asian giants are likely to have destabilising spillover

20 The route from the Indian Ocean via the Malacca straits to East Asia accounts for around 50 per cent of total regional foreign trade.

21 These include the ASEAN Regional Forum (ARF), the ASEAN Defence Ministers' Meeting-Plus (ADMM-Plus), the Shangri-La Dialogue, and the Council for Security Cooperation in the Asia Pacific (CSCAP).

effects on the current situation in the South and East China Seas, dynamics in the IOR are also susceptible to security developments in the latter regions. Added to this consideration is China's increasing and sometimes divisive influence within ASEAN, effectively threatening to undermine the notions of ASEAN unity and centrality, which are central to the association's existence.

It is, therefore, in the interest of the ASEAN states to establish a diversified relationship with India and other Bay of Bengal states so as to bring more balance to the region and dissipate tensions and insecurity and any potential conflict that may result from them. Initial engagement with the Bay states also provides a credible springboard for an increased ASEAN presence in the IOR and further validates ASEAN's centrality in Indo-Pacific strategic affairs. What are some of the practical avenues for such a course of action?

Disaster management has been at the top of India's recent engagement with ASEAN and the various institutions and forums led by it, and this can be expanded to include the other Bay states. "Blue Economy" and maritime connectivity are yet other key issues of common interest, as the enhancement of maritime connectivity is expected to have larger impacts on economic growth and may contribute to narrowing development gaps. At the same time, there is a need for BIMSTEC and ASEAN states to understand the importance of engaging with China, both in the interests of capacity sharing and reducing tensions and risk of conflict.²² The Bay and ASEAN states should be careful to not let insecurities inflate threats, as this may cause them both to miss out on opportunities and may create new dangers, i.e. the idea that China should be assured, not antagonised.

Finally, the willingness of the Bay of Bengal states to refer maritime boundary disputes to international arbitration is of particular relevance to ASEAN states involved in maritime (and even land) disputes, especially within the South China Sea. Myanmar and Bangladesh resolved their long-standing maritime border dispute in March 2012 through arbitration by the International Tribunal for the Law of the Sea (ITLOS). Similarly, in July 2014, an arbitral tribunal established under Annex VII of the United Nations Convention on the Law of the Sea (UNCLOS) delimited the maritime boundary (which had been under dispute) between Bangladesh and India.

22 For instance, China has already expressed interest in joining BIMSTEC.

The latter example of peaceful dispute resolution was to a large extent possible because the larger power involved in the disputes (i.e. India) was willing to subject itself to third-party arbitration, going against the general preference of preponderant powers for settling disputes at the bilateral level. Nonetheless, these examples carry with them a number of recommendations: (1) following the path of negotiations over a more muscular form of diplomacy that relies on economic and military strength; (2) biding one's time until political and social circumstances are conducive to dispute resolution and capitalising on windows of opportunity; (3) choosing compromise over inflexible nationalism; and (4) secondary powers setting the precedent by resolving bilateral disputes so as to demonstrate to the larger powers the value of soft power and burden-sharing that result from such actions.

Potential and Policies to Deepen Economic Integration in IORA

Pradumna B. Rana

INTRODUCTION¹

Historical evidence shows that in the bygone era the Indian Ocean was an active thoroughfare of commerce, and cultural and religious traffic. Many authors, such as the late Andre Gunder Frank (1998), Findlay and O'Rourke (1998), Shankar (2004), and Sanyal (2016), have written on this subject.² Frank (1998) has provided maps which show the major trading routes across the Indian Ocean during the 1400–1800 period and the commodities that were traded at that time. For example, India exported cotton textiles, dyes, indigo, silk textiles, iron and steel products, shawls, blankets, and paper to the Gulf countries, which in turn provided fruits, dates, rosewater, carpets, horses, pearls, and mineral to India. Similarly, India exported silk and cotton textiles, slaves, iron and steel products, ceramics, and shipping services to East Asia, while the latter provided pepper, spices, rice, sugar, elephants, tin, copper, cinnamon, teak, and rubies to India. The Indian Ocean was vibrant at that time.

Subsequently, during the colonial period, trade in the Indian Ocean was fragmented. Even during the post-colonial period, economic planners and policymakers in India shunned international trade and adopted inward-looking policies. There was also a neglect of maritime trade and security

1 This chapter is based on the author's ongoing research on economic integration between South Asia and East Asia. The research is supported by a grant from Singapore's Ministry of Education under Tier 1 of its Academic Research Fund (AcRF).

2 Andre Gunder Frank, *ReOrient: Global Economy in the Asian Age* (USA: University of California Press, 1998); R. Findlay and K. O'Rourke, *Power and Plenty* (US: Princeton University Press, 2007); Vineeta Shankar, "Towards an Asian Economic Community: Exploring the Past," in *Towards an Asian Economic Community: Vision of a New Asia*, ed. Nagesh Kumar (Singapore: RIS and ISEAS, 2004); S. Sanyal, *The Ocean of Churn: How the Indian Ocean Shaped Human History* (UK: Penguin Random House, 2016).

issues in the Indian Ocean. It was only after the beginning of economic reforms in the early 1990s in the South Asian countries and the adoption of “Look East” policies by several of them that trade in the Indian Ocean started to attract attention.

To complement efforts by individual countries, the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC) was established in 1997. This grouping was subsequently renamed the Indian Ocean Rim Association (IORA) in 2013. IORA aims to (1) promote sustained growth and balanced development of the region and of member states and (2) create a common ground for regional economic cooperation. Its membership comprises 21 countries around the rim of the Indian Ocean. Despite this institutional arrangement, which has been in place for nearly 20 years, IORA has made limited progress in promoting integration in the region.³ Although, the level of intra-regional trade among the IORA countries is a respectable 25 per cent at present, it is heavily asymmetrical and lopsided, comprising mainly the trade between East Asian IORA members and Australia.⁴

But the situation is expected to change soon. In November 2015, Prime Minister Narendra Modi articulated India’s vision of the future of the Indian Ocean and the approach to realise it—through Security and Growth for All in the Region or SAGAR. More recently, at the Indian Ocean Conference 2016, held in Singapore, India’s foreign secretary mentioned that “India was committed to building up IORA in line with its own expanding bilateral ties in the region”. IORA is slated to organise its first summit in 2017. Cooperative efforts, among others, on maritime security and connectivity, ports and shipping development, and trade and investment are expected to follow.

This paper seeks to highlight (1) the potential for economic integration among IORA members and (2) the policies that should be adopted at the country level by the non-East Asian (nEA) IORA members (that is, the IORA members from South Asia, Africa, and the Middle East) to promote economic integration in the region. While the policies recommended in this

3 S. Tharoor, “Indian Ocean and Its Geopolitics,” in *Shared Waters, Shared Destinies*. India Foundation, 2016.

4 V. N. Attri, “Growing Strength of the Indian Ocean Rim Association (IORA) and Emerging Development Paradigms,” Presentation notes. Last modified 9 January 2016, <http://www.hsrc.ac.za/uploads/pageContent/6606/Growing%20strength%20of%20IORA.pdf>.

paper apply to both the East Asian and nEA members of IORA, the focus is on the latter because it is they who lag on policy actions and implementation, including trade and industrial liberalisation. Many East Asian countries have reached the “middle income” level of development and are relatively free of policy distortions.

POTENTIAL FOR ECONOMIC INTEGRATION

The potential for economic integration among nEA IORA members can be assessed by using two approaches. First, under the traditional theory of comparative advantage, developing countries produce labour-intensive goods, which they then exchange for more capital- and skills-intensive goods produced by the more advanced countries. This model explains the geographic separation of production and consumption or what Baldwin (2006, 2011) calls globalisation’s first “great unbundling”.⁵ All separate tasks involved in manufacturing a product are done entirely at home. Second, we can use the new trade of product fragmentation theory pioneered by Jones and Kierzkowski (1990).⁶ Under this theory, production is spliced and diced into separate fragments, and the production of parts and components is spread around the world through production networks and supply chains.

Nike is a well-known example of production networks. While the research and design function of Nike shoes remains in the United States, most of Nike’s production is in developing countries. Nike relies on production facilities in around 50 countries mostly in Asia and Latin America. Another is the production of the iPhone. The design of iPhones and its software development are done in the United States, as is the marketing. Apart from these functions, the production of iPhones takes place outside the United States. Manufacturing of an iPhone involves nine companies located in China, Korea, Japan, Germany, and the United States. All iPhone components produced by these companies

5 R. Baldwin, *Globalization: The Great Unbundlings* (Geneva: Graduate Institute of International Studies, 2006); R. Baldwin, “Trade and Industrialization after Globalization’s Second Unbundling,” NBER Working Paper No. 17716, December 2011.

6 R. W. Jones and H. Kierzkowski, “The Role of Services in Production and International Trade: A Theoretical Framework,” in *The Political Economy of International Trade: Essays in Honor of Robert E Baldwin*, eds. R. W. Jones and A. O. Krueger (Oxford: Basil Blackwell, 1990).

are shipped to China for assembly into final products, which are shipped to the United States and the rest of the world.

The major catalysts for product fragmentation are the reduction in transport and logistics costs, which have facilitated slicing and dicing of products. Advances in information communication and technology (ICT) also play an important role in this respect.

Both approaches suggest that there is significant potential for increasing economic integration in the IORA region. Under the first approach, nEA IORA members have comparative advantage in mainly primary goods (including minerals and oil) and labour-intensive goods and ICT services, while East Asian IORA members have comparative advantage in a much wider range of products. These include primary goods such as crude oil, rubber, and fish; labour-intensive manufactures such as textiles and footwear; and capital-intensive and knowledge-intensive goods such as office machines and telecommunications equipment.

Second, while East Asian IORA members are dense with production networks, the nEA IORA members lag. For example, while production network participation rates are 72.7 per cent and 65.5 per cent in Singapore and Malaysia respectively, they are 43.4 per cent and 34.5 per cent in Bangladesh. Wignaraja, Kruger, and Tuazon (2013) find that such networks have transformed the East Asian trade landscape, contributed to deepening regional economic integration, and brought unprecedented prosperity to the region.⁷

The Indian Ocean, the third largest ocean in the world, is rich in natural resources. Some 40 per cent of the world's offshore oil production takes place in the Indian Ocean basin. Fishing in the Indian Ocean accounts for almost 15 per cent of the world's total. Mineral resources are equally important, with nodules containing nickel, cobalt, and iron and massive sulphide deposits of manganese, copper, iron, zinc, silver, and gold being present in sizable quantities on the seabed. Indian Ocean sediments are also important sources of titanium, zirconium, tin, zinc, and copper.⁸ The Indian Ocean

7 G. Wignaraja, J. Kruger, and A. M. Tuazon. "Production Networks, Profits, and Innovative Activity: Evidence from Malaysia and Thailand," ADBI Working Paper, No. 416, 2013.

8 D. Jaishankar, "Indian Ocean Region: A Pivot for India's Growth," in *Shared Waters, Shared Destinies*, India Foundation, 2016.

constitutes between a quarter and a third of the world's population (close to two billion), which makes it a massive market. The sea lanes on the Indian Ocean account for 70 per cent of the world's traffic of petroleum products.⁹

POLICIES FOR INTEGRATION

The nEA IORA member states need to (1) link themselves to production networks in East Asia and (2) develop production networks in manufacturing and services within their region. Such policies would allow both regions of Asia to benefit not only from the static complementarities of the traditional trade theory but also the dynamic complementarities associated with the new product fragmentation theory.

Policies to promote economic integration in the nEA IORA members should comprise the following six, sometimes overlapping, elements. First, in an integrated trading environment, foreign investors are able to shop around for the most favourable locations for production of parts and components. So it is important for the nEA IORA members to provide favourable business environments to attract investors. They could do this through regulatory, labour market, and legal reforms. They also need to introduce reforms towards improving their public governance systems.

Second, the nEA IORA members should improve their ICT systems to coordinate supply chains efficiently. Various indicators published by the International Telecommunication Union suggest that the nEA IORA states are behind many East Asian countries on this indicator.

Third, nEA IORA members should strive to reduce trade facilitation and logistics costs. With product fragmentation, efficient trade facilitation and logistic service is a key determinant of a country's competitiveness. The logistics performance index calculated by World Bank suggests that, on average, nEA IORA members lag behind all other developing regions except Africa.

Fourth, nEA IORA members should support ongoing efforts to enhance physical connectivity within the region as this would help in reducing trading costs and enhancing competitiveness. The dominant mode of

9 Attri, "Growing Strength of the Indian Ocean Rim Association (IORA) and Emerging Development Paradigms".

freight transport in the IORA region is ocean transport and so maritime connectivity (including ports) should be improved. However, other modes of transportation may also be viable for more sophisticated supply chains. Two projects to link ASEAN to India, one maritime/road and the other a road project, are at early stages of implementation.¹⁰ These are the Mekong-India Economic Corridor (MIEC) and the Trilateral Highway connecting India with Myanmar and Thailand. While the major focus of the MIEC is to connect the automotive industry in Bangkok with those in Chennai, the Trilateral Highway seeks to develop the northeast region of India, which is lagging behind the rest of the country. The pace of the MIEC has slowed down because of funding issues, but the Trilateral Highway is progressing.

Fifth, nEA IORA members should be more active in signing Free Trade Agreements (FTAs) with East Asian countries. As part of its “Look East” policy, India has signed FTAs, including Comprehensive Economic Cooperation and Comprehensive Economic Partnership Agreements, with ASEAN as a whole and with two of its member states, Singapore and Malaysia. India has also signed FTAs with Japan and Korea, and FTAs with Thailand and Indonesia are in the pipeline. Pakistan has signed FTAs with China, Malaysia, and Indonesia, while FTAs with Singapore and Thailand are in the pipeline. In contrast to India and Pakistan, the other nEA IORA members in South Asia appear to be more cautious in signing FTAs. Currently, both Sri Lanka and the Maldives are negotiating FTAs with China. Sometime in the future, an IORA-wide economic partnership similar to the Trans-Pacific Partnership and Transatlantic Trade and Investment Partnership could also be negotiated.

Finally, IORA members should prioritise the future membership of Myanmar, which is a land-link between South Asia and East Asia. Also, the landlocked countries in South Asia—Afghanistan, Nepal, and Bhutan—which are important stakeholders of trade in the Indian Ocean should be invited to join IORA.

10 F. Kimura and S. Umezaki, “ASEAN-India Connectivity: The Comprehensive Asia Development Plan, Phase II.” ERIA Research Project Report 2010, no. 7, 2011; Research and Information System for Developing Countries, “ASEAN-India Connectivity Report: India Country Study,” Delhi, 2012.

Blue Economy in the Indian Ocean Region: Status and Opportunities

Dominique Benzaken

The third largest oceanic region, the Indian Ocean Region (IOR) is home to a population of 2,538.41 million (36.40 per cent of total global population). It is a highly diverse region, culturally and politically, with widely different socio-economic statuses. The IOR economy is dominated by fisheries and aquaculture, tourism, ports infrastructure and associated services, shipping, and offshore oil and gas.¹ The IOR harbours a diversity of coastal and marine ecosystems, from coastal coral reefs, mangroves, and sea grasses to productive pelagic ecosystems, and poorly-known deep sea ecosystems, some of global importance.² The Indian Ocean's health and resources are critical to the region's economy and the well-being of dependent coastal populations. Yet, it is vulnerable to overexploitation, marine pollution, climate change, and ocean acidification, threatening the very foundation of the region's wealth and well-being.

BLUE ECONOMY AS DRIVER OF SUSTAINABLE DEVELOPMENT

The “Blue Economy” concept was coined at the Rio+20 summit in 2012 by small island developing states (SIDS), as an acknowledgment that the key to their present and future development was intrinsically linked to their vast ocean domains. While there is no accepted definition of the Blue Economy concept, at least not in United Nations terminology, there is a global consensus that it is about increasing human well-being through the sustainable development of “ocean” resources, while significantly reducing

- 1 A. H. Cordesman and A. Tourkan, “The Indian Ocean Region. A Strategic Net Assessment,” Centre for Strategic and International Studies (CSIS), Washington, D.C., USA, 11 September 2014.
- 2 “Ecologically or Biologically Significant Marine Areas,” Convention on Biological Diversity, last modified 24 January 2017, <https://www.cbd.int/ebsa/>.

environmental risks and ecological scarcities.³

Regional initiatives such as the 2050 Africa's Integrated Maritime Strategy (2050 AIM-Strategy), the declaration of the decade of African Seas and Oceans (2015–2025), and the recent Africa's Blue Economy: A Policy Handbook (UNECA, 2016) show the growing interest in Blue Economy as a pathway for sustainable development, consistent with the UN Sustainable Development Agenda and the Sustainable Development Goals (SDGs)—in particular, SDG 14 on seas and oceans. At the national level, IOR countries such as the Seychelles, Madagascar, South Africa, and Mauritius have embraced the concept and endeavoured to turn it into action.

BLUE ECONOMY OPPORTUNITIES IN IOR

Sustainable fisheries and aquaculture

IOR fisheries include national artisanal and semi-artisanal fisheries under national laws and management, and trans-boundary fisheries managed through Regional Fisheries Management Organisations (RFMOs), such as the Indian Ocean Tuna Commission (IOTC) for tuna fisheries and the South West Indian Ocean Fisheries Agreement (SWIOFA) for non-tuna fisheries.

Overfishing is already occurring in IOR trans-boundary fisheries, including yellowfin tuna, and in some coastal domestic fisheries. Key systemic issues include ineffective open access management regimes, lack of compliance with domestic regulations or regional measures, limited socio-economic intelligence information, and poor mechanisms or capacity for accurate monitoring and reporting.

In addition, illegal, unreported and unregulated (IUU) fishing, which takes place mostly in the high seas and out of the reach of most IOR nations, further contributes towards overfishing and depletes this source of national revenue.⁴ Measures to address IUU fishing, such as the Food and Agricultural Organization (FAO) Port State Measures Agreement (PSMA), which came into force in June 2016, and European Union rules provide opportuni-

3 “The Ocean Economy in 2030,” Organisation for Economic Co-operation and Development (OECD), Paris, France, 27 April 2016.

4 “The Sunken Million: The Economic Justification for Fisheries Reform,” World Bank, PROFISH series, Washington, D.C., USA, 2009.

ties for regional concerted efforts to combat IUU fishing.

With most fisheries nearly or fully exploited, aquaculture accounts for 50 per cent of the world's food fish production, and is becoming the main source of fish supply to respond to the increasing global demand for fish. However, aquaculture needs strong national regulation and management to ensure it does not contribute to overfishing of feed species, to minimise its impact on coastal and marine habitats, and at the same time to ensure it meets international food and health standards.

An increased demand for sustainable fisheries and aquaculture products, combined with international trade-based measures, is driving policy reform and shifting those sectors towards greater diversification and post-harvest strategies, fostering innovative technology, raising production standards, and creating new business opportunities and employment.

Shipping and ports

The IOR comprises some of the world's largest shipping lanes, with some 25–30 per cent of global shipping movement,⁵ and yet attracting less than 20 per cent of global cargo movements to its ports. There is clearly an opportunity to develop hubs of industrialisation/services around strategically-located port infrastructure in the coastal African states of the IOR. Island-nations are well positioned for specialised hubs for fisheries processing, port support services, and ship maintenance (and possibly cable services), but currently lack the necessary physical, technological infrastructure, and human resource capacity to take advantage of these opportunities.

One important issue which has emerged in recent years is the growing interest in the environmental impact of port operations and development owing to pressing global issues such as climate change and energy consumption. Port authorities are increasingly implementing green port strategies, fulfilling both economic and environmental objectives globally. Developing such strategies requires capacity-building, which should be part of port infrastructure development projects.

5 J. Tournadre (2014) in L. E. Llewellyn, S. English, and S. Barwell, "A Roadmap to a Sustainable Indian Ocean Blue Economy," *Journal of the Indian Ocean Region* 12, no. 1 (2016): 52–66.

Marine-based tourism

Ocean-based marine tourism is a growing industry, especially in IOR island-nations such as Mauritius, the Seychelles, the Maldives, Réunion, and Madagascar. Tourism as a multifaceted service industry has the potential to provide much-needed job opportunities in hospitality, and also in supporting services, infrastructure development, and maintenance (water and energy supply and waste disposal facilities). Traditionally, tourism has been directed at the European market. Developing new tourism products and attracting new markets, particularly in China and Southeast Asia, and targeting emerging middle classes offer great prospects. Regulating those activities at the national level, however, will be critical in ensuring they are sustainable and benefit local communities.

Seabed mining

Deep sea mining for rare earth minerals is attracting a lot of interest because of their use in information and communications technology (ICT) hardware and renewable energy technology such as solar panels. Significant deposits have been found in the Pacific, Indian, and Atlantic oceans within nations' exclusive economic zones (EEZ) and adjacent high seas. With the increasing demand in rare earth minerals, deep sea mining may become more commercially attractive for the IOR. India is the most advanced in terms of technology and capability, with a few licences awarded by the International Sea Bed Authority, the global instrument for regulating the use of the seabed. Of critical importance will be the establishment of a global regime to ensure that the siting and operation of exploration and exploitation are not conflicting with other ocean uses or damaging seabed ecosystems irreversibly, given their unique characteristics and high vulnerability to any form of disturbance. IOR members' participating in the elaboration of such a framework should aim at maximising future benefits and avoiding unwanted damages.

Oil and gas

Currently, Australia and India are leading in the IOR on offshore oil and gas exploration and exploitation, with South Africa and Mozambique exploring options. Island-nations such as the Seychelles and Mauritius are also considering how best to use their oil and gas resources in their EEZs and in

the Joint Management Area (JMA) they share as a result of the extension of their respective continental shelves beyond national jurisdictions.

The IOR carries a heavy traffic of petroleum and petroleum products from the Persian Gulf to South Asia. Oil spill events, though relatively rare occurrences, have extensive long-term impacts on the marine environment and marine life and ecosystems that are detrimental to coastal habitats across large areas and dependent local communities and economies.

Over the past few decades, a wide range of measures have been introduced to prevent marine pollution. These include identification of an International Maritime Organization (IMO) Particularly Sensitive Sea Area (PSSA) which requires special protection because of recognised ecological, socio-economic, or scientific reasons and vulnerability to damage by international maritime activities. None have been designated in the IOR so far but could be considered in future, particularly in the Western Indian Ocean (WIO) region.

Marine renewable energy

Energy security is a major economic cost for many IOR countries, especially small island-states, which are highly dependent on fuel imports. One important step towards increasing energy security and availability is to intensify the use of renewable energy sources.⁶ An analysis of the match between technology-specific requirements for ocean energy technologies (wave power, ocean thermal energy conversion/OTEC, tidal barrages, tidal current turbines, and ocean current power) and the physical resources in 13 WIO regions—Kenya; the Seychelles; Northern Tanzania and Zanzibar; Southern Tanzania; Comoros and Mayotte; Northern, Central, and Southern Mozambique; Western, Eastern, and Southern Madagascar; Réunion; and Mauritius—shows potential for wave power over vast coastal stretches in southern parts of the WIO, and high potential for OTEC at specific locations in Mozambique, Comoros, Réunion, and Mauritius. The potential for tidal power and ocean current power is more restricted but may be of interest in some locations.

6 L. Hammar, J. Ehnberg, A. Mavume, C. Boaventura, and S. Molander, “Renewable Ocean Energy in the Western Indian Ocean,” *Renewable and Sustainable Energy Reviews* 16, no. 7 (2012): 4938–4950.

Digital connectivity

Telecommunications, digital connectivity, and digital services are critical enabling elements of sustainable development. An increased digital network across the Indian Ocean is critical to economic activity, and will also help characterise oceans and monitor its health as well as its uses, both legal (e.g. vessel movements) and illegal. A regional digital community is also essential for regional cooperation in addressing Blue Economy challenges, fostering cultural exchanges, and assisting the development of a sense of common purpose and place in the world. As the costs of laying down cables come down, the feasibility of increasing the digital network across the IOR should be considered, with access to digital services much improved and affordable to a larger number of users, providing new jobs and business opportunities.

Marine genetic resources

Bioprospecting refers to the exploration of biological material in the marine environment for commercially valuable genetic and biochemical properties for pharmaceuticals, cosmetics, and the food industry. So far, due to the high costs of bioprospecting and commercialisation, combined with a low level of scientific and technological capacity, insufficient knowledge of biodiversity, and the lack of a robust regulatory framework, most exploration has been undertaken by developed countries, with limited collaboration from Indian Ocean countries (except South Africa and Kenya). An analysis of patent data shows that exploration takes place mostly within jurisdictions, with the highest concentration being in areas such as the Mozambique Channel and around the island countries north of Madagascar, which is not surprising as they are areas of high biodiversity.⁷ Yet, much remains to be done to ensure prior consent for exploration and workable policies and models for equitable benefit sharing. Global efforts to develop a regulatory framework under the UN Convention on the Law of the Sea (UNCLOS) for the high seas, and the Nagoya protocol under the UN Convention of Biological Diversity (CBD) for national jurisdictions are important platforms that IOR members could engage.

7 R. Wynberg, "Marine Genetic Resources and Bioprospecting in the Western Indian Ocean," in *Regional State of the Coast Report Western Indian Ocean* (Gigiri, Kenya: UNEP, 2015), Chapter 30.

Maintaining ocean ecosystem services and building climate resilience

The development of a viable Blue Economy is predicated on a healthy and well-functioning ocean. Contributions from marine and coastal ecosystems (ecosystem services) to human well-being range from food production, water quality, waste disposal, carbon sequestration, and coastal protection to recreational and cultural services. The economic contribution of ocean health as natural capital and ecosystem services has so far not been incorporated in conventional measures of wealth such as gross domestic product (GDP), thus distorting the real cost of economic activity. Efforts to account for natural capital and ecosystem services are, however, being pursued—e.g. the World Bank Wealth Accounting and Valuation of Ecosystem Services Global Partnership Programme (WAVES).

Importantly, the critical role of oceans in climate regulation and the impact of increased atmospheric carbon dioxide on oceans (e.g. ocean warming, ocean acidification, oxygen depletion) already and will increasingly have consequences on oceans and the Blue Economy, from increased extreme weather events, storm surges and changing rainfall patterns affecting food production, and coastal and offshore infrastructure, to changes in the distribution of migratory fish stock distributions and fisheries. At the same time, marine and coastal ecosystems such as mangroves and sea grasses can store large amounts of carbon in their sediments over long periods of time and act as carbon sinks (a phenomenon called blue carbon) and thus mitigate the impacts of climate change. Protecting and restoring such habitats may generate local income through voluntary carbon credits as well as by providing other important ecosystem services for fisheries and coastal protection.

CHARTING AN IOR ROADMAP FOR BLUE ECONOMY: OPPORTUNITIES FOR ASEAN

In summary, the Blue Economy offers a range of opportunities for IOR and ASEAN nations alike. Realising those benefits will require a combination of national, regional, and global mechanisms, a strategic and cross-sectoral approach to development planning, transforming the business model of traditional ocean-based sectors towards greater sustainability and resilience,

and at the same time, setting the necessary policy and regulatory framework, resource characterisation, and knowledge and technology agenda for those new and emerging sectors.

The emergence of the Blue Economy as an agenda for regional cooperation

The concept of Blue Economy is shifting the regional narrative towards a more complex and multifaceted agenda whereby maritime security and Blue Economy are two sides of the same coin, the former focusing on threats and the latter on prospects and promises.

While the threats of piracy have somehow abated, thanks in part to the work of the Contact Group on addressing Piracy off the Coast of Somalia, chaired by the Seychelles, maintaining an effective Monitoring Control and Surveillance capacity, domain awareness, and information sharing will remain critical, and efforts should continue to strengthen regional capacity (especially for those states with large EEZs and weak enforcement capacity). Non-traditional security threats such as climate change and environmental degradation, in addition to illegal activities such as drug smuggling, human trafficking, terrorism, and IUU fishing remain critical issues, many of them taking place outside the jurisdiction of coastal states, and all being detrimental to the Blue Economy.

IUU fishing is a good case in point. In the Indian Ocean, a significant amount of catch qualifies as IUU fishing: 18 per cent in the WIO and 32 per cent in the Eastern Indian Ocean. IUU fishing depletes global fish stocks and undermines efforts to secure and rebuild those stocks for the future. In doing so, IUU fishing activities generate harmful effects on the economic and social welfare of those involved in legal fishing, and reduces incentives to play by the rules.

Identifying and catching IUU fishing vessels requires advanced technology and a strong labour force. This is a daunting task for individual countries, particularly developing ones. However, with regional cooperation, new technologies, and information sharing, fighting IUU fishing is likely to become much more achievable.

Indian Ocean Rim Association

The Indian Ocean Rim Association (IORA) has emerged in recent years as a platform for regional dialogue and exchange on a range of issues, from

trade and investment, and research and development (R&D) to maritime safety and security. In principle, IORA has the potential to overcome the sector-based fragmentation of the region's governance architecture by providing political leadership and assuming a coordination function, as well as by providing a forum for exchange and strategic policy development. The Blue Economy, as a multi-sectoral concept, may provide a vehicle for a more integrated regional cooperation governance structure. A critical issue will be how to collaborate on the high seas (which accounts for most of the Indian Ocean), although most of the existing developments have been within national jurisdictions.

The IORA symposium “Learning from the Past and Charting the Future”, held in September 2016 in Yogyakarta, Indonesia, identified Blue Economy as a major driving force for regional development, including some key fisheries-related regional matters such as combating IUU fishing through RFMOs and other means. The recommendations focus not just on fisheries but also on infrastructure development and aquaculture to meet the region's food security needs, tourism as a growth area (including ecotourism), and making a case for small islands and their unique assets and challenges.

IORA could play a catalytic role in the development of a regional Blue Economy framework, being cognisant of its dialogue partners and members' interests; learning from and building on existing global, regional, and national treaties, policies, and initiatives; and further articulating a set of common strategic priorities and principles for regional cooperation to inform national implementation of Blue Economy agendas across the region and to guide foreign investment.

The development of a regional agenda for R&D, the setting up of regional facilities for the development and sharing of knowledge, tools, and innovative technology and training, and building on the competitive advantage of respective members are essential building blocks to advance a regional Blue Economy agenda. Tools such as area-based planning and economic analyses that facilitate characterisation of ocean resources, ocean uses, and potential risks, and provide a structured and consultative process for the allocation of ocean space for economic, social, and environmental outcomes can be used at the regional level in the identification of regional- (as well as national-) level priorities.

RECOMMENDATIONS FOR ASEAN

ASEAN countries (especially those which are members of IOR regional institutions) should:

- ▶ Actively engage with the IORA in the development of a regional Blue Economy shared vision and strategic priorities to guide future investment and a means to secure their development interests by:
 - Jointly hosting an ASEAN-IORA ministerial conference to share views on an IOR Blue Economy vision, pathway, and implementation, including hosting an investor roundtable, noting that the IORA conference on Blue Economy was held in May 2017.
- ▶ Contribute to/participate in IOR regional technical fora to chart a regional agenda uniting national aspirations and responding to national circumstances on Blue Economy priority areas, taking into account opportunities but also constraints that Blue Economy will bring about. For example:
 - Opportunities for improved connectivity across the region such as ports infrastructure, IT connectivity, and identifying potential regional hubs of economic activity based on the comparative advantage of sub-regions (i.e. islands, African coastal states, Asian sub-regions).
 - Collaboration with IORA and other regional institutions such as IOTC, the Indian Ocean Commission, and regional conventions to develop a joint agenda for sustainable fisheries, value chains and aquaculture, renewable energy, ASEAN-based tourism markets, and common approaches to the protection of critical areas for marine biodiversity (e.g. the WIO region).
- ▶ Collaborate on the development of a regional marine research, knowledge, and innovation agenda, building on respective capabilities, and focusing on marine science, regional resource assessments, socio-economic intelligence, climate change, biotechnology, renewable energy technology, marine conservation, and ecosystem health. This could be in the form of:
 - Co-hosting regional conferences on marine science, and innovation and training workshops.
 - Supporting the establishment of regional-based facilities and networks and mechanisms for sharing information.

- Developing joint training and skills building programmes for a Blue Economy.
- ▶ Continue engaging actively with the IOR on areas of common maritime security interests, facilitating joint activities, and hosting regional meetings to:
 - Build the region’s capacity for maritime policing and marine domain awareness.
 - Develop joint measures for non-traditional threats such as IUU fishing, climate change, and environmental security, under existing mechanisms or otherwise, which are all important to Blue Economy.

Conclusions and Recommendations

Sam Bateman, Rajni Gamage and Jane Chan

RSIS published a policy paper on ASEAN and the Indian Ocean in 2011. The paper reflected the notion that while efforts were being made to develop an effective framework for regional cooperation in the Indian Ocean region (IOR), ASEAN, and more particularly the ASEAN countries that lie within the IOR, could play a more active role in the new era of development and regional institution-building evident in the IOR.

The paper identified initiatives, mainly related to the maritime domain, that ASEAN could take in the IOR to contribute to regional stability and cooperation, from countering illegal activities at sea and managing non-traditional security threats to establishing effective regimes for managing the Indian Ocean. While ASEAN has proven to be a successful regional institution, including for providing the basis of the regional security architecture of the Asia Pacific, the expectation was that ASEAN might be able to contribute its expertise and experience to building regional frameworks in the IOR.

There have been significant developments since that paper was published. First, the main organisation promoting cooperation in the IOR has evolved from the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC) into the Indian Ocean Rim Association (IORA) and gained considerable momentum.¹ In a major step forward, the IORA Leaders' Summit in Jakarta in March 2017 agreed on the Jakarta Concord for a Peaceful, Stable and Prosperous Indian Ocean, as well as an IORA Action Plan for 2017–2021.²

1 The IORA currently has 21 members—Australia, Bangladesh, Comoros, India, Indonesia, Iran, Kenya, Madagascar, Malaysia, Mauritius, Mozambique, Oman, Seychelles, Singapore, Somalia, South Africa, Sri Lanka, Tanzania, Thailand, the United Arab Emirates, and Yemen—and seven Dialogue Partners—China, Egypt, France, Germany, Japan, the United Kingdom, and the United States. Myanmar is the only ASEAN member country littoral to the Indian Ocean that is not a member of IORA.

2 The Jakarta Concord is available at <http://www.kemlu.go.id/en/berita/Pages/iora-leaders-sign-jakarta-concord.aspx>.

Second, China has launched its Belt and Road Initiative (BRI), with considerable potential impact both on ASEAN and the IOR. Third, Indonesia, a key maritime state within ASEAN very conscious of its strategic location between the Indian and Pacific Oceans, has been giving much greater attention to its maritime interests, especially through its Global Maritime Fulcrum concept and more recently its comprehensive Sea Policy. Fourth, the concept of the “Blue Economy” has gained traction throughout the IOR although rather less so within ASEAN.

Lastly, the 2011 policy paper was concerned about the high level of strategic uncertainty then prevailing in the IOR. While much uncertainty remains, the regional security environment has shown some signs of improvement over the past six years. Positive factors include the marked decline in piracy off Somalia, increased regional engagement especially through the IORA, and greater acceptance of the role of China in the region. More generally, the ASEAN countries that are part of the IOR have started to show greater interest in their links with the IOR.

The recommendations in this monograph cover possible actions by ASEAN as an organisation, and by individual ASEAN members that border the Indian Ocean, to further their involvement in regional arrangements and institution building; promote maritime security and safety; and support trade and development in the IOR. The recommendations are mainly focused on the maritime environment and the maritime interests of IOR countries.

REGIONAL ARRANGEMENTS

ASEAN centrality

ASEAN has proven to be a successful regional organisation that has sponsored agreements and arrangements related to a wide range of political, economic, cultural, and security issues. It now has the potential to play a central position in promoting cooperation across the wider Indo-Pacific region rather than just focusing on its long-standing role in East Asia.

There is potential for the ASEAN states to establish a diversified relationship with the IOR states so as to bring more balance to the IOR and dissipate tensions and insecurity. Initial engagement with a few IOR states would provide a credible springboard for an increased ASEAN presence in

the IOR, and further validate ASEAN's centrality in Indo-Pacific strategic affairs. Some of the practical avenues suggested towards this end include disaster management, the Blue Economy, and maritime connectivity.

ASEAN is well positioned to moderate Indian and Chinese strategic competition in the IOR. This observation was complemented by a recommendation in a chapter in this monograph that ASEAN maintain its centrality amid great power strategic manoeuvring, or risk getting the entire regional grouping divided and sidelined. At the same time, IOR and ASEAN states should understand the importance of engaging with China, both in the interests of capacity sharing and reducing tensions and risk of conflict, being careful not to let insecurities inflate threats, as this may cause them to both miss out on opportunities and create new risks.

The chapter in this volume providing an Indonesian perspective noted that, despite the rhetorical enthusiasm in Indonesia for greater links with the IOR, the Indonesian government had yet to craft a sound strategy for that region. The other ASEAN countries that are part of the IOR are in a similar position. They should develop strategies for their relations with the IOR, both at the regional level and bilaterally with individual IOR countries.

Recommendations

- ▶ ASEAN should seek to maintain a central position in Indo-Pacific institution-building, including now in the IOR.
- ▶ ASEAN countries, particularly those that are part of the IOR, should develop strategies for their relations with the IOR.

Indian Ocean Rim Association (IORA)

There is scope now for ASEAN to continue to offer best practices to regional institutions in the IOR, especially the IORA. ASEAN has sound policy experience and operational know-how to help promote and facilitate practical security cooperation. This is already evident to some extent—as the chapter on Indonesia's maritime fulcrum states, Indonesian diplomats have used their country's IORA chairmanship to promote ASEAN-style initiatives, such as the "IORA Concord", initiatives to inaugurate a one-off IORA Summit, promote Blue Economy projects, establish an IORA Business Innovation Centre, and other activities centred on developing people-to-people relations.

One specific recommendation was for the joint hosting of an ASEAN-IORA ministerial conference to discuss a shared vision regarding the Blue Economy, strategic priorities to guide future investments, and ways and means of securing development interests, including hosting an investor roundtable.

Recommendation

- ▶ ASEAN as an organisation should continue to develop its links with the IORA, including the exploration of development and investment interests in the IOR.

Indian Ocean Naval Symposium (IONS)

IORA has committed its members to working collaboratively with the Indian Ocean Naval Symposium (IONS),³ a voluntary initiative to increase maritime cooperation among navies and other maritime security forces of the IOR states.

Most ASEAN countries are also members of the Western Pacific Naval Symposium (WPNS). They could encourage cooperation and sharing of experience between the WPNS and IONS, and thus assist IONS to move forward. WPNS has been operating since 1988 and there are many mutual areas of operational and technical interest including, for example, law and order at sea, Humanitarian Assistance and Disaster Relief (HADR), Search and Rescue (SAR), and promoting procedures for unaltered encounters between naval and coastguard forces. The IONS has already recommended the WPNS-developed Code for Unplanned Encounters at Sea (CUES) for adoption by its members.

There are risks, however, of too much focus on naval cooperation. Cooperation between neighbouring countries on key issues such as SAR, law enforcement, and marine environmental protections may also be facilitated by coastguards whereas naval cooperation can be problematic. For example, the coastguards of India and Pakistan do cooperate whereas their navies do not. Achieving good order at sea is fundamentally an activity that requires cooperation between neighbouring countries. However, regional navies are handicapped in this regard. They may be uncomfortable about sharing operational and doctrinal information. Naval cooperation can have

3 “Final Communique: 14th Meeting of the Council of Ministers of the Indian Ocean Rim Association, Perth Communique,” 9 October 2014. Retrieved from http://www.iora.net/media/151273/communique_final.pdf.

significant limits. When it comes to building regional maritime security and safety, navies can be both part of the solution and part of the problem. Focusing too much on naval cooperation risks diverting attention from real requirements, such as maritime governance, capacity-building, developing national legislation, development and poverty alleviation.

Recommendation

- ▶ ASEAN members of the WPNS should provide their experience with that organisation to help develop IONS.

SUB-REGIONAL ARRANGEMENTS

Owing to the disparities among the IOR countries in economic development, maritime capabilities, culture, and levels of poverty, it has been difficult to identify common interests on which to base effective regional institutions. As a consequence, the more active regional institutions tend to be sub-regional in nature. Here, the African Union (AU) is an important organisation in the Western Indian Ocean. It has, for example, developed the 2050 Africa's Integrated Maritime Strategy.⁴ This makes a clear link between maritime security and human security by drawing attention to the range of threats in the maritime domain.

Given these challenges of finding common interests, sub-regional cooperation seems more achievable in the IOR. Cooperation through organisations like the Indian Ocean Commission in the Southwest Indian Ocean, the Gulf Cooperation Council, and the AU may be the most effective way of taking regional maritime security management forward. In this regard, the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) is of particular interest to ASEAN members.

BIMSTEC

BIMSTEC is an international organisation involving the following countries in South Asia and Southeast Asia: Bangladesh, India, Myanmar, Sri Lanka, Thailand, Bhutan, and Nepal. As shown by some papers in this collection, a number of Southeast Asian countries are showing more interest in the

4 "2050 Africa's Integrated Maritime Strategy," 2012. Retrieved from http://cggrps.org/wp-content/uploads/2050-AIM-Strategy_EN.pdf.

Bay of Bengal. One recommendation put forward is that existing security forums in Asia Pacific, at both the Track One and Track Two levels (such as the ASEAN Regional Forum or ARF, ASEAN Defence Ministers' Meeting-Plus or ADMM-Plus, the Shangri-La Dialogue, and the Council for Security Cooperation in the Asia Pacific or CSCAP), should make the Bay of Bengal an issue of high priority on their agendas. Discussions and dialogue with these partners could be aimed at fostering a deeper appreciation, and even providing assistance (where feasible), for institutionalised, multilateral maritime security governance mechanisms to be established in the IOR.

ASEAN countries could seek more active engagement and enhanced ties with regional and sub-regional organisations like IORA and BIMSTEC, including, where appropriate, by applying to join these institutions as Dialogue Partners. Such institutions facilitate frequent engagement among all major powers and create networks which, it is hoped, will over time reduce the competitive elements and incline them towards a more cooperative relationship. At the same time, most of the contributors to this volume caution that one must be cognisant of the limits to which these institutions can learn from more "successful" regional organisations like ASEAN, due to the different sets of challenges and circumstances.

Recommendation

- ▶ The ASEAN countries that are part of the IOR but are not at present members of BIMSTEC should seek to become members, or Dialogue Partners, of that organisation.

MARITIME SAFETY AND SECURITY

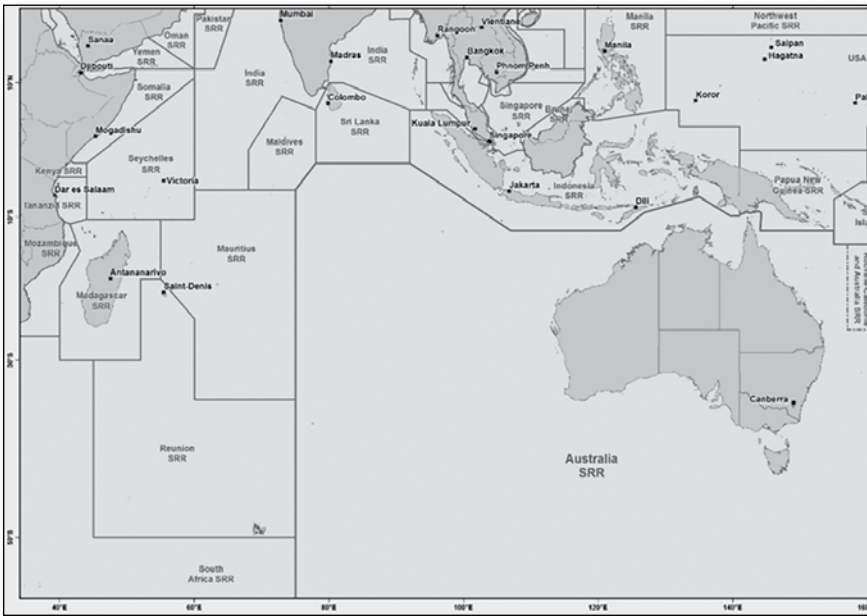
Maritime safety and security are major challenges in the IOR, particularly for the poorer coastal and island countries of the region with large zones of maritime jurisdiction. However, the diversity of interests among regional countries is a problem. There is no agreement on what encompasses maritime security. For example, the African countries in the region are more concerned about local issues of governance, poverty, disease, and internal security than with the broader maritime strategic issues that concern the wider region.

The Jakarta Concord committed IORA members to "Promoting Maritime Safety and Security" in the region including by effective coordination with aeronautical and maritime search and rescue (SAR) services; reducing

substandard shipping; and strengthening regional cooperation to address trans-boundary challenges, including piracy and smuggling in drugs, arms, and people.

The IORA 2017–2021 Action Plan includes the establishment of an IORA Working Group on Maritime Safety and Security to address common safety and security concerns. The Action Plan also encourages member states to sign the IORA memorandum of understanding (MoU) on SAR. As shown in Figure 2 below, some IOR countries have very large search and rescue regions (SRRs), but may be limited in their capacity to fulfil their SAR obligations. The Action Plan also notes the intention to explore the establishment of a Maritime Institute of Malaysia (MIMA) as the IORA Centre of Excellence for Maritime Safety and Security.

FIGURE 2
Indian Ocean Search and Rescue Regions (SRRs)



Source: Australian Maritime Safety Authority.

Maritime security cooperation

One paper in this monograph recommends greater cross-regional, practical maritime security cooperation between ASEAN and the IOR states for

confidence-building and tackling maritime threats. Such cooperation could include mutually beneficial sharing of information, experience, and ideas towards greater maritime congruence. One author recommends that ASEAN should enhance inter-institutional linkages with existing IOR institutions but refrain from attempting to be an apex institution that fronts IOR maritime security, given its traditional primary focus on the Western Pacific seaboard.

A main area of mutual interest for ASEAN and the IOR states, which currently has considerable room for improvement in the IOR, is the development of high-quality maritime domain awareness (MDA). The Information Fusion Centre (IFC) hosted by Singapore as a regional maritime security information-sharing centre represents regional best practice that can contribute to this end. At the same time, it is recommended that ASEAN urge its member states to ratify and implement at the national level important International Maritime Organization (IMO) conventions and treaties that impact maritime safety, security, and marine environmental protection so that they can contribute meaningfully in cross-regional maritime security cooperation initiatives.

Recommendations

- ▶ ASEAN as a whole, and/or individual member states and their maritime forces, should seek to play a meaningful yet sustainable role in preserving and enhancing regular IOR maritime security dialogues and targeted capacity-building assistance programmes
- ▶ ASEAN members of the IORA should support efforts by the IORA Working Group on Maritime Safety and Security to build MDA in the IOR, including by applying best practice from information-sharing centres in ASEAN.

Shipping security

Sea robbery

Robbery of ships in ports and anchorages is a major problem in the IOR. About 60 attacks of this nature occurred in the region in 2016.⁵ Security in ports and anchorages is under the jurisdiction of the relevant coastal state but many states lack the capacity to provide this security. The situation can also be complicated

5 According to the 2016 Annual Report on Piracy and Armed Robbery against Ships issued by the International Maritime Bureau (Table 4), there were 41 attacks against ships in port or at anchor in Indonesia in 2016, 13 in India, two in Bangladesh, and four in East Africa.

by the overlap of responsibilities between the agencies providing such security, such as navies, coastguards, port administrations, and local police forces.

A guide might be developed covering best practice for security in ports and anchorages covering the importance of requirements such as: radar coverage of ports and anchorages with effective monitoring by a command and control headquarters; ships at anchor keeping their Automatic Identification System (AIS) active; ships reporting at regular intervals to their command and control headquarters; and a clear statement of the responsibilities of each of the agencies involved to avoid any overlap.

Port State Control

The Port State Control (PSC) regime is the major means of ensuring that international standards of ship safety and security are maintained and there are no substandard ships to threaten maritime safety and security and to pose unacceptable risks to the marine environment and to the lives of the seafarers that crew them. Unfortunately, the PSC regime is not working as effectively in the IOR as it should.

Ten PSC regimes have now been established around the world. Of these, the Paris Memorandum of Understanding (MoU) for Europe and the Atlantic, the Tokyo MoU for the Asia Pacific region, and the U.S. Coast Guard regime for the United States are the most efficient and effective PSC regimes. However, most countries involved in these regimes are developed states able to afford the number of skilled inspectors and management structures required to make the regimes effective.

The Indian Ocean MoU is less effective than the Paris and Tokyo MoUs. Some important shipping countries in the region (e.g. Pakistan, Madagascar, and Myanmar) are not parties to the MoU, and some participating countries carry out relatively few inspections. Lack of capacity in regional countries is the main explanation of the relative ineffectiveness of the Indian Ocean MoU. The Tokyo MoU Secretariat assists in PSC capacity-building in the IOR, and the ASEAN countries that are parties to the Tokyo MoU should be prepared to assist in those capacity-building efforts.

Recommendation

- ▶ Relevant agencies in ASEAN should cooperate with the IORA Working Group on Maritime Safety and Security to produce a Handbook on Security in Ports and Anchorages.

Maritime natural disasters

While maritime safety and security have been identified as priorities for the IORA, specific reference is made to piracy, sustainable fisheries management, and the need for preparations to deal with the natural disasters to which the region is prone. The IORA 2017–2021 Action Plan included a commitment to improving resilience and responses to disaster risk management. It planned to enhance cooperation with the Intergovernmental Oceanographic Commission (IOC-UNESCO) and other multilateral organisations and agencies and to explore creation of an IORA Centre of Excellence for Disaster Risk Management for sharing information, expertise, and best practice to implement training and capacity-building programmes.

The ASEAN Vision 2025 on Disaster Management consolidates the humanitarian assistance and disaster management components of the ASEAN Vision 2025 for the ASEAN Political Security Community (APSC), ASEAN Economic Community (AEC), and the ASEAN Socio-Cultural Community (ASCC).⁶ The ASEAN Vision 2025 on Disaster Management and subsequent five-year work plan demonstrates the commitment of ASEAN to implementing the Core Responsibilities of the World Humanitarian Summit (WHS) and advancing its Agenda for Humanity in a tangible way at the ASEAN level. The ASEAN Coordinating Centre for Humanitarian Assistance on disaster management (AHA Centre) might be involved in the establishment of the IORA Centre of Excellence for Disaster Risk Management.

Recommendations

- ▶ ASEAN members of the IORA should continue engaging actively with the IOR on areas of common maritime security interest, facilitating joint activities, and hosting regional meetings to build the region's capacity for maritime policing and marine domain awareness.
- ▶ They should also develop joint measures for managing non-traditional threats such as illegal, unreported and unregulated (IUU) fishing, climate change, and environmental security, under existing mechanisms or otherwise, which are all important to Blue Economy.

6 "ASEAN Vision 2025 on Disaster Management." Retrieved from http://www.asean.org/wp-content/uploads/2012/05/fa-220416_DM2025_email.pdf.

TRADE AND DEVELOPMENT

Trade

As shown by the data in Annex A, trade between ASEAN and the IOR countries has continued to grow at an impressive rate. But, as suggested by papers in this monograph, there are opportunities for further development of this trade.

Blue Economy

The concept of the Blue Economy holds great promise for the IOR. The Indian Ocean is a major seaway for trade and commerce and rich in natural resources, both living and non-living, which need to be developed in a sustainable manner. The Blue Economy is a relatively recent concept that captures the notion that while nations are attaching greater importance to the economic potential of the oceans, they should also remain conscious of the risks of economic degradation. A working definition of the Blue Economy is “the sustainable industrialisation of the oceans for the benefit of all”.⁷ Most of the ASEAN countries have extensive maritime interests and thus a clear interest in the Blue Economy.

Effective maritime security governance, including the provision of good order at sea, is a key prerequisite of developing the Blue Economy. The Blue Economy—marine economic activity including fishing, renewable energy, mineral exploration, and coastal tourism—is emerging as a common source of growth, innovation, and job creation for the IOR. The small island-states, Mauritius and Seychelles, have been at the forefront of developing the idea of the Blue Economy in the IOR, while Bangladesh has also been active in promoting application of the concept to the Bay of Bengal and beyond.

The Jakarta Concord committed IORA member states to developing the opportunity of the oceans by promoting the Blue Economy as a key source of inclusive economic growth, job creation, and education, based on the evidence-based sustainable management of marine resources. The IORA Action Plan agreed to establish an IORA Working Group on the Blue Economy and to implement the outcomes of the Blue Economy Core Group workshops as well as ministerial and high-level expert meetings.

7 S. Smith-Godfrey, “Defining the Blue Economy,” *Maritime Affairs: Journal of the National Maritime Foundation of India* 12, no. 1 (2016): 60.

Recommendations

- ▶ ASEAN countries, especially those which are members of IOR regional institutions, should actively engage with the IORA on the development of a shared vision of the regional Blue Economy and of strategic priorities to guide future investment and as means to secure their development interests.
- ▶ ASEAN and its member states should engage more deeply with the IOR states on the Blue Economy by:
 - contributing and participating in IOR technical fora;
 - helping to improve maritime connectivity in the region;
 - collaborating with other regional institutions (such as the Indian Ocean Commission) to develop a joint ocean agenda;
 - engaging actively in IOR maritime security initiatives (including maritime policing and maritime domain awareness) for conservation of the oceans.

Marine scientific research

Successful implementation of the Blue Economy depends on marine scientific research. Not only is comprehensive marine scientific data essential for activities such as the sustainable development of marine living resources, exploration and exploitation of minerals on or under the seabed, and the protection and preservation of the marine environment, but it also contributes to climate research and weather forecasting. Oceanographic conditions in the Indian Ocean are the major drivers of both regional climate change and the climatic conditions in the littoral states. Improved scientific knowledge would enhance weather forecasting, with benefits for regional agriculture and the ability to predict severe weather events.

Recommendation

- ▶ ASEAN countries that are part of the IOR should collaborate with other IOR countries on the development of a regional marine research, knowledge, and innovation agenda, building on their respective capabilities and focusing on marine science, regional resource assessments, socio-economic intelligence, climate change, biotechnology, renewable energy technology, marine conservation, and ecosystem health.

Economic integration

Some of the recommendations in this monograph are targeted at the non-ASEAN states. These include the need to balance the two practices of regionalism in the Indian Ocean. These are state-centred rule-based regionalism, on the one hand, and a more open and flexible “shared regionalism”, on the other. This consideration is especially pertinent to South Africa, the next chair of IORA. It was also suggested that IOR institutions can adapt some of ASEAN’s expanded architectures where relevant, such as the ASEAN Maritime Forum (AMF) and Expanded ASEAN Maritime Forum (EAMF), which have a focus on maritime safety and connectivity. These forums resonate with IORA’s agenda on improving maritime safety and security.

The chapter in this monograph on IORA economic integration emphasises that its policy recommendations are primarily for the non-East Asian IORA states as it is they who lag on policy actions and implementation, including trade and industrial liberalisation. These recommendations include the need for these states to improve their business environments through regulatory, labour market, legal, and governance reforms; improve their information and communications technology (ICT) systems to coordinate supply chains efficiently; reduce trade facilitation and logistics costs; support ongoing efforts to enhance physical connectivity within the region; and be more active in signing Free Trade Agreements (FTAs) with East Asian countries. The chapter also recommends that IORA prioritise granting of membership to Myanmar and the landlocked states of South Asia such as Afghanistan, Nepal, and Bhutan.

Belt and Road Initiative

The Belt and Road Initiative (BRI) is China’s economic initiative to increase trade, connectivity, and economic integration across the Asian region through to Europe. China’s leadership has emphasised that this initiative is not a one-way imposition or solo act by Beijing, but instead a symphony of many players.

The BRI seeks to create a transport corridor linking China to Europe overland via Central Asia (the “belt”) and another corridor linking China to Europe by sea (the “road”). China has established a Silk Road Fund of some

US\$40 billion and a new bank, the Asian Infrastructure Investment Bank (AIIB), to help fund the infrastructure projects linked to the BRI.

Southeast Asia is a key link in the BRI, standing as it does between the Indian and Pacific Oceans. But there is some wariness about the concept among Southeast Asian countries, given China's dominant role in it and possible Chinese military involvement. However, ASEAN, as an institution, still has a role to play both in the belt and the road. Collectively, ASEAN remains an important audience for both initiatives. Maritime Southeast Asia may also be especially important to the realisation of China's Maritime Silk Road.

The BRI coincides with a push among the ASEAN countries for a maritime development strategy and increased regional connectivity. Shipping plays a key role in implementing the concept, and, given the heavy involvement of some ASEAN members in the shipping industry, including ship ownership, shipbuilding, and ship repair and maintenance, the BRI provides many opportunities for these countries.

Recommendation

- ▶ ASEAN should support the BRI, particularly in view of its economic connectivity with the IOR and the opportunities it offers.

CONCLUDING COMMENTS

The idea that the development and security of the Pacific and Indian Oceans are linked through the concept of an Indo-Pacific region has gained much wider acceptance in recent years. Southeast Asia stands as the lynchpin of this linkage while ASEAN provides the regional framework that binds the Southeast Asian countries together. While ASEAN has mostly looked north and east, it is now increasingly looking west. In support of that shift in vision, the IORA is beginning to show much greater promise as a regional institution. There are many opportunities now for ASEAN to collaborate with the IORA in ways that would provide significant mutual benefit for the members of both organisations. This monograph is intended to provide some ideas about facilitating that process.

Annexes

Annex A – Trade Between Selected ASEAN Countries* and IOR (in US\$ million)

Country / Trading partner	2008		2013		2014		
	Exports	Imports	Exports	Imports	Exports	Imports	
ASEAN-5 to IOR	77375.42	104611.03	181986.45	130773.51	92582.08	120226.1	217808.18
<i>Singapore</i>							
East Africa and Island States	1682	658	2340	696	1932	700	2632
South Asia	15785	8705	24490	9508	17704	8710	26414
Middle East	7666	38373	46039	44507	9478	43259	52737
Total	25133	47736	72869	54711	29114	52669	81783
<i>Malaysia</i>							
East Africa and Island States	1549	946	2495	1888	2464	945	3409
South Asia	10394	3332	13726	12104	13041	4476	17517
Middle East	8085	7648	15733	8351	7502	10922	18424
Total	20028	11926	31954	22343	23007	16343	39350
<i>Myanmar</i>							
East Africa and Island States	12	2	14	5	7	9	16
South Asia	974.07	268.28	1242.35	1391.35	1429.54	988.8	2418.34
Middle East	54.35	18.75	73.1	73.46	71.54	52.3	123.84
Total	1040.42	289.03	1329.45	1469.81	1508.08	1050.1	2558.18
<i>Indonesia</i>							
East Africa and Island States	1109	1170	2279	839	2408	839	3247
South Asia	9330	3041	12371	15946	16106	4273	20739
Middle East	5328	8408	13736	5840	5840	12149	17989
Total	15767	12619	28386	24194	21946	16422	38368
<i>Thailand</i>							
East Africa and Island States	2353	1123	3476	2435	3369	1355	4724
South Asia	4968	2877	7575	3791	7868	3328	11196
Middle East	8356	28041	36397	10131	10770	29059	39829
Total	15407	32041	47448	41782	22007	33742	55749

* ASEAN countries on the Indian Ocean littoral

Source: International Monetary Fund (IMF), *Direction of Trade Statistics Yearbook 2015*, Washington, D.C.: IMF, 2015

Annex B – Comparative Levels of Human Development in the IOR

Level of human development	Indian Ocean region	ASEAN
Very high	2. Australia	
	11. Singapore	11. Singapore
	18. Israel	
		31. Brunei Darussalam
	32. Qatar	
	39. Saudi Arabia	
	41. United Arab Emirates	
	45. Bahrain	
	48. Kuwait	
	52. Oman	
High	62. Malaysia	62. Malaysia
	63. Mauritius	
	64. Seychelles	
	69. Iran	
	73. Sri Lanka	
	80. Jordan	
	93. Thailand	93. Thailand
	104. Maldives	
	108. Egypt	
	110. Indonesia	110. Indonesia
Medium		115. Philippines
	116. South Africa	
		116. Vietnam
	130. India	
	132. Bhutan	
	139. Zambia	
		141. Lao People's Democratic Republic
	142. Bangladesh	
		143. Cambodia
	145. Kenya	
Low	145. Nepal	
	147. Pakistan	
	148. Myanmar	148. Myanmar
	150. Swaziland	
	151. Tanzania (United Republic of)	
	154. Madagascar	
	159. Comoros	
	160. Yemen	
	161. Lesotho	
	163. Rwanda	
	163. Uganda	
	167. Sudan	
	168. Djibouti	
	173. Malawi	
	174. Ethiopia	
180. Mozambique		
184. Burundi		
186. Eritrea		

Source: United Nations Development Programme (UNDP), *Human Development Report 2015*, New York: UNDP, 2015

Annex C – Official Development Assistance Received by IOR Countries

Dataset: Aid (ODA) commitments to countries and regions

Notes:

* Australia is not a recipient of international development assistance.

** Aid types include: (1) Grants (2) Loans and other long-term capital (3) Total commitments (4) Of which: technical cooperation (5) Of which: Associated financing (6) Capital subscriptions

Recipient	Value (in US\$ millions; current prices)		
	2013	2014	2015
Singapore	—	—	—
Israel	—	—	—
Brunei	—	—	—
Qatar	—	—	—
Saudi Arabia	—	—	—
UAE	—	—	—
Bahrain	—	—	—
Kuwait	—	—	—
Oman	—	—	—
Malaysia	45.27	49.17	60.84
Mauritius	105.55	84.7	48.17
Seychelles	5.13	4.16	4.23
Iran	106.73	106.71	100.75
Sri Lanka	742.23	801.82	450.06
Jordan	1002.34	1843.08	1868.67
Thailand	205.79	182.34	478.68
Maldives	12.11	12.34	15.11
Egypt	717.45	1248.8	961.53
Indonesia	2766.76	1921.46	3043.82
South Africa	1318.89	754.88	1408.78
India	4873.16	5344.62	2438
Bhutan	51.86	39.59	43.14
Zambia	938.31	712.06	540.65
Bangladesh	2614.23	2190.82	2106.25
Kenya	1811.12	3583.91	2164.91
Nepal	712.38	613.5	997.4
Pakistan	1684.21	1675.44	1467.52
Myanmar	6188.24	2264.6	2194.91
Swaziland	49.75	56.55	52.43
Tanzania (United Republic of)	1743.86	1571.62	1596.96
Madagascar	198.38	266.66	315.44
Comoros	46.52	25.52	24.14
Yemen	559	403.02	655
Lesotho	91.13	46.44	50.29
Rwanda	600.27	489.63	548.12
Sudan	759.27	529.79	516.92
Uganda	1099.04	1078.63	1284.54
Djibouti	79.09	81.62	89.1
Malawi	1048.8	565.62	643.46
Ethiopia	1841.09	1494.11	2078.78
Mozambique	1542.45	1365	1301.18
Burundi	340.37	270.21	194.57
Eritrea	1841.09	1494.11	2078.78

Source: Website of the Organisation for Economic Cooperation and Development (OECD). Retrieved from <http://stats.oecd.org/Index.aspx?datasetcode=TABLE2A>

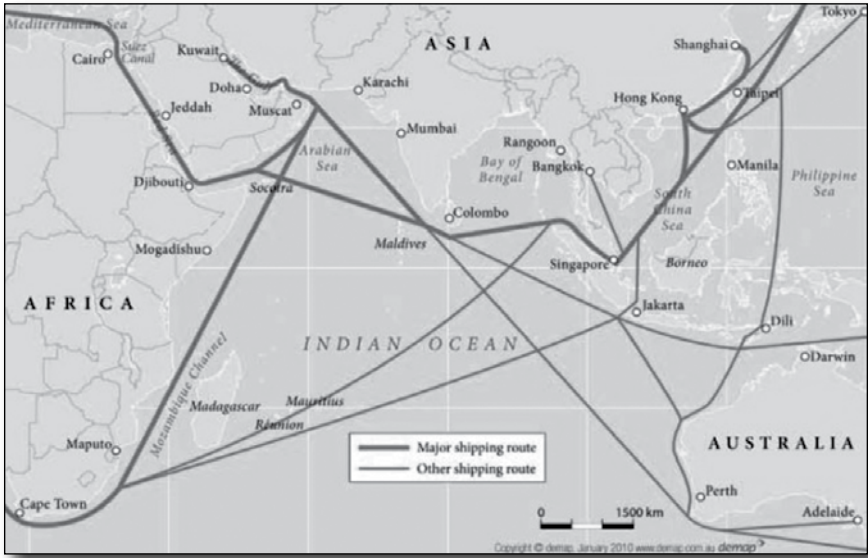
Annex D – List of Conflicts and Disputes in the IOR*

Country	Type of conflict		Total
	Inter-state	Intra-state	
Burundi	1	2	3
Djibouti	—	2	2
Eritrea	—	1	1
Ethiopia	2	5	7
Kenya	—	4	4
Madagascar	—	1	1
Mozambique	—	1	1
Rwanda	1	1	2
South Africa	—	2	2
Sudan	1	5	6
Swaziland	—	1	1
Tanzania	—	3	3
Uganda	—	4	4
Bangladesh	—	5	5
India	—	18	18
Indonesia	1	6	7
Malaysia	—	5	5
Maldives	—	1	1
Myanmar	—	13	13
Nepal	1	4	5
Pakistan	1	7	8
Singapore	1	—	1
Sri Lanka	—	1	1
Thailand	2	2	4
Bahrain	—	1	1
Egypt	1	4	5
Iran	4	4	8
Israel	1	5	6
Jordan	—	2	2
Kuwait	—	2	2
Oman	—	1	1
Saudi Arabia	—	3	3
Yemen	1	4	5
Total	18	120	138

* States not listed: Australia, Bhutan, Comoros, Lesotho, Malawi, Mauritius, Qatar, Seychelles, United Arab Emirates, Zambia.

Source: Heidelberg Institute for International Conflict Research, *Conflict Barometer* 2015. Heidelberg: HIIK, 2015

Annex E – Shipping Routes in the IOR



Annex F – China’s Belt and Road Initiative



Getty Images

Biographies of Contributors and Editors

Editors

Sam Bateman retired from the Royal Australian Navy as a Commodore and is now a Professorial Research Fellow at the Australian National Centre for Ocean Resources and Security (ANCORS) at the University of Wollongong, and a Senior Fellow and Adviser to the Maritime Security Programme at the S. Rajaratnam School of International Studies. His naval service included four ship commands, five years in Papua New Guinea, and several postings in the force development and strategic policy areas of the Department of Defence in Canberra. His current research interests include regional maritime security, piracy and maritime terrorism, regional issues with the Law of the Sea, and maritime cooperation and confidence-building.

Rajni Gamage is a Senior Analyst with the Maritime Security Programme at the S. Rajaratnam School of International Studies (RSIS). Her main research interests are in maritime security in the Indo-Pacific, and foreign and security policies of Indian Ocean small states. She holds a Bachelor's degree with Honours in Political Science from the National University of Singapore and a Master's degree in International Relations from RSIS. Her most recent works were featured in *Maritime Affairs: Journal of the National Maritime Foundation of India* (November 2016) and the *Journal of the Indian Ocean Region* (March 2017).

Jane Chan is a Research Fellow and Coordinator of the Maritime Security Programme at the S. Rajaratnam School of International Studies. Her main research interests include maritime security issues in Southeast Asia, law and order at sea, regional maritime cooperation and confidence-building measures, and regional boundary delimitation and territorial disputes. She

is an affiliated faculty at the Singapore Armed Forces (SAF)-NTU Academy (SNA) and was a Non-resident Visiting Fellow at the Sea Power Centre–Australia (SPC-A). Her recent publications include Vijay Sakhujia and Jane Chan (eds.), *China's Maritime Silk Road and Asia* (VIJ Books, 2016); and Geoffrey Till and Jane Chan (eds.), *Naval Development in Southeast Asia* (Routledge, 2014). She was co-editor of RSIS Policy Papers *ASEAN and the Indian Ocean* (2011) and *Good Order at Sea in Southeast Asia—Policy Recommendations* (2009). She is a regular commentator on maritime security issues and has presented at various international conferences and seminars.

Contributors

Kwa Chong Guan works on the intersections of history, security studies, and international relations of Southeast Asia. As Senior Fellow at the S. Rajaratnam School of International Studies, he works on a range of regional security issues with a focus on the implicit narratives underlying our framing of regional security issues. As an Honorary Adjunct Associate Professor and Visiting Fellow at the Archaeological Unit of the Nalanda-Sriwijaya Centre at the ISEAS-Yusof Ishak Institute, Singapore, Kwa is interested in the long cycles and emerging deep history of Southeast Asia's past. He started his career working on policy analysis in the Ministry of Foreign Affairs and then the Ministry of Defence before being assigned to reorganise the Oral History Department at the National Archives, Singapore, and concurrently, the old National Museum, which he led through a strategic planning process to transform it into the current three museums under the National Heritage Board. He was previously Head of the old Department of Strategic Studies at the SAFTI Military Institute, Singapore, where he taught military history and strategic studies while concurrently teaching history at the School of Arts at the National Institute of Education, Singapore.

Anit Mukherjee is an Assistant Professor in the South Asia Programme at the S. Rajaratnam School of International Studies (RSIS). He joined RSIS after a post doctorate at the Centre for the Advanced Study of India (CASI), University of Pennsylvania and a PhD from the Paul H. Nitze School of Advanced International Studies (SAIS), Johns Hopkins University. From

2010–2012, he was a Research Fellow at the Institute for Defence Studies and Analyses (IDSA), New Delhi. While in the doctoral programme, he also worked at the Brookings Institutions and was a Summer Associate at RAND Corporation. He has published in the *Journal of Strategic Studies*, *New York Times*, *RUSI Journal*, *India Review*, *The Caravan*, and *Indian Express*, among others. His most recent article titled “Fighting Separately: Jointness and Civil-Military Relations in India” was awarded the 2017 Amos Perlmutter prize by the *Journal of Strategic Studies*. He is the co-editor (with C. Raja Mohan) of a book titled *India’s Naval Strategy and Asian Security* (Routledge, 2015). He is also Non-Resident Visiting Scholar at the Center for the Advanced Study of India (CASI), University of Pennsylvania and a Non-Resident Fellow at Brookings India. Formerly, he was a Major in the Indian Army and is an alumnus of India’s National Defence Academy (NDA), Khadakwasla.

Koh Swee Lean Collin is a Research Fellow with the Maritime Security Programme at the S. Rajaratnam School of International Studies (RSIS). He is especially interested in researching naval affairs in the Indo-Pacific, focusing on Southeast Asia and issues related to naval technologies, naval modernisation, naval arms control, and the offence-defence theory. Koh has taught various professional military education and training courses with the Singapore Armed Forces Training Institute. Prior to joining the Maritime Security Programme, Koh taught at the Military Studies Programme (2010–2014), RSIS, and later worked at the Centre for Non-Traditional Security Studies (2008–2010), also at RSIS.

Lee Cordner is an experienced strategic analyst and policy adviser. His research interests include Indo-Pacific maritime security and strategy, international security policy, and strategic risk assessment. He is widely published on regional security matters. Affiliations include the Indo-Pacific Governance Research Centre, Australia; Naval War College, United States of America; and Institute for Defence Studies and Analyses, India. He was a Commodore in the Australian Navy serving for 33 years full-time followed by 16 years in the Reserve. He commanded several warships including HMAS Sydney during the 1990-91 Gulf War, and HMAS Adelaide as Senior Captain in the Fleet.

Irene Chan is an Associate Research Fellow with the China Programme in the S. Rajaratnam School of International Studies (RSIS). She received her Bachelor of Arts in History from the Nanyang Technological University's National Institute of Education and her Master of Science in Asian Studies from RSIS. She was invited to give a keynote lecture on China's role in regional cooperative security at the 2012 Pacific Rim Air Power Symposium in Hokkaido, Japan, which was jointly organised by the U.S. Pacific Air Force and the Japan Air Self-Defense Force. She has given presentations on China's maritime policy, political will, and energy exploitation in the South China Sea in the National Institute of South China Sea Studies, Shandong University, and to the Indonesian Maritime Security Coordinating Board. She has written commentaries for *The Straits Times* and RSIS.

Ristian Atriandi Supriyanto is an Indonesian Presidential PhD Scholar with the Strategic and Defence Studies Centre at the Australian National University. Previously, he was Associate Research Fellow with the Maritime Security Programme at the S. Rajaratnam School of International Studies (RSIS). His research focuses on Indo-Pacific maritime security issues and Indonesia's strategic policy. Prior to joining RSIS, he was a researcher and teaching assistant at the International Relations Department of the University of Indonesia, and Programme Officer with the ProPatria Institute, focusing on Indonesian defence policy and civil-military relations.

Pradumna Rana is Associate Professor and Coordinator of the Master of Science in International Political Economy programme at the Centre for Multilateralism Studies of the S. Rajaratnam School of International Studies. Prior to this, he worked for 25 years at the Asian Development Bank (ADB). His last appointment at the ADB was Senior Director of the Office of Regional Economic Integration, which spearheads the ADB's support for Asian economic integration. He obtained his PhD from Vanderbilt University, where he was a Fulbright Scholar, and has a Masters in Economics from Michigan State University and Tribhuvan University. He has authored/edited 15 books, and published over 55 articles in peer-reviewed international academic journals. He is currently co-authoring a book titled *Jump-Starting South Asia: Round Two of Reforms and Look East Policies*, to be published by

Oxford University Press, New Delhi. Most recently, he co-authored books titled *Asia and the Global Economic Crisis* (Palgrave Macmillan, 2010) and *South Asia: Rising to the Challenge of Globalization* (World Scientific Publishers, 2009), edited a book titled *The Renaissance of Asia: Evolving Economic Relations between South Asia and East Asia* (World Scientific Publishers, 2012), and co-edited a book titled *New Global Economic Architecture: The Asian Perspective* (Edward Elgar, 2014).

Dominique Benzaken is an international public policy specialist currently appointed by the Commonwealth Fund for Technical Co-operation (CFTC) as a senior advisor to the Seychelles government on ocean governance and the implementation of the country's Blue Economy. In this role, Benzaken draws on 20 years' experience in public policy and international affairs with government, non-governmental organisations, and intergovernmental organisations. Her areas of expertise are oceans and coasts, climate change, sustainable development, and islands. She specialises in policy analysis and advice, networking and building partnerships, negotiation and advocacy, innovative solutions, and mentoring. Her recent international assignments have included a two-year posting in Washington, D.C., as an international marine policy advisor with the Nature Conservancy; a three year stint in Switzerland as coordinator of the European Union Outermost Regions and Overseas Countries and Territories Programme on biodiversity and climate change with the International Union for Conservation of Nature (IUCN); and a three-year stint in Samoa as a coastal and marine adviser for the Secretariat of the Pacific Environment Programme (SPREP). Benzaken has a Bachelor of Science with a major in Zoology and a Master's degree in Tropical Ecology from James Cook University, Townsville, Australia.

List of Abbreviations and Acronyms

1MDB	1Malaysia Development Berhad
2050 AIM-Strategy	2050 Africa's Integrated Maritime Strategy
AADMER	ASEAN Agreement on Disaster Management and Emergency Response
ADMM+	ASEAN-Plus Defence Ministers' Meeting
ADMM	ASEAN Defence Ministers' Meeting
AEC	ASEAN Economic Community
AHA Centre	ASEAN Coordinating Centre for Humanitarian Assistance on Disaster Management
AIIB	Asian Infrastructure Investment Bank
AIP	ASEAN Information-Sharing Portal
AMF	ASEAN Maritime Forum
APEC	Asia-Pacific Economic Cooperation
ARF	ASEAN Regional Forum
ARF ISM on MS	ASEAN Regional Forum Inter-Sessional Meetings on Maritime Security
ASEAN	Association of Southeast Asian Nations
ASG	Abu Sayyaf Group
AU	African Union
BBIN	Bangladesh, Bhutan, India, Nepal
BIMSTEC	Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation
BRI	Belt and Road Initiative
CAFTA	China-ASEAN Free Trade Agreement
CBD	Convention of Biological Diversity
CEP	Closer Economic Partnerships
CEPEA	Comprehensive Economic Partnership in East Asia
CIFRI	Central Inland Fisheries Research Institute
CLMV	Cambodia, Lao PDR, Myanmar, Vietnam
CORPAT	Coordinated Patrol

CP	Charoen Pokphand
CPC	Communist Party of China
CPEC	China-Pakistan Economic Corridor
CSCAP	Council for Security Cooperation in the Asia Pacific
CSCT	Colombo South Container Terminal
DCoC	Djibouti Code of Conduct
EAC	East African Community
EAFTA	East Asian Free Trade Agreement
EEZ	Exclusive economic zone
EiS	Eyes-in-the-Sky
ETCA	Economic and Technology Cooperation Agreement
EU	European Union
FAO	Food and Agricultural Organization of the United Nations
FSU	Fisheries Support Unit
FTA	Free Trade Agreement
GCC	Gulf Cooperation Council
HADR	Humanitarian Assistance and Disaster Relief
ICT	Information and communications and technology
IFC	Information Fusion Centre
IMO	International Maritime Organization
INCOIS	Indian National Centre for Ocean Information Sciences
IOC	Intergovernmental Oceanographic Commission
IOD	Indian Ocean Dialogue
IOGOOS	Indian Ocean Global Ocean Observing System
IOMOU	Indian Ocean Memorandum of Understanding for Port State Control
IONS	Indian Ocean Naval Symposium
IOR-ARC	Indian Ocean Rim Association for Regional Cooperation
IOR	Indian Ocean Region
IORA	Indian Ocean Rim Association
IORG	Indian Ocean Research Group
IOTC	Indian Ocean Tuna Commission
IOTO	Indian Ocean Tourism Organization
ISIL/ISIS	Islamic State of Iraq and the Levant/Syria

ISPS	International Ship and Port Security
ITEWC	Indian Tsunami Early Warning Centre
ITLOS	International Tribunal for the Law of the Sea
IUU	Illegal, unreported and unregulated [in reference to fishing]
JMA	Joint Management Area
LEMOA	Logistics Exchange Memorandum of Agreement
LRIT	Long Range Identification and Tracking
MDA	Maritime Domain Awareness
MIEC	Mekong-India Economic Corridor
MoU	Memorandum of Understanding
MPAC	Master Plan for ASEAN Connectivity
MSP	Malacca Straits Patrol
MSR	Maritime Silk Road
MTC	Maritime Transport Council
nEA	non-East Asian
NTS	Non-Traditional Security
OTEC	Ocean thermal energy conversion
PCA	Permanent Court of Arbitration
PLAN	People's Liberation Army Navy
PMD	<i>Poros Maritim Dunia</i> (Global Maritime Fulcrum)
PSC	Port State Control
PSMA	Port State Measures Agreement
PSSA	Particularly Sensitive Sea Area
ReCAAP	Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia
ReMIX	Regional Maritime Information eXchange
RFMO	Regional Fisheries Management Organization
SAARC	South Asian Association for Regional Cooperation
SADC	Southern African Development Community
SAGAR	Security and Growth for All in the Region
SAL	Search and Locate
SAR	Search and Rescue
SASEC	South Asia Subregional Economic Cooperation
SCPP	SAR Capability Partnership Program
SDGs	Sustainable Development Goals
SIDS	Small island developing states

SIMBEX	Singapore-India Maritime Bilateral Exercise
SIOFA	Southern Indian Ocean Fisheries Agreement
SKRL	Singapore-Kunming Rail Link
SLOCs	Sea Lines of Communication
SOLAS	International Convention for the Safety of Life at Sea
SRR	Search and Rescue Regions
SWIOFA	South West Indian Ocean Fisheries Agreement
SWIOFC	Southwest Indian Ocean Fisheries Commission
UAE	United Arab Emirates
UN	United Nations
UNCLOS	United Nations Convention on the Law of the Sea
USA	United States of America
WAVES	Wealth Accounting and Valuation of Ecosystem Services
WIO	Western Indian Ocean
WPNS	Western Pacific Naval Symposium
ZOPFAN	Zone of Peace, Freedom and Neutrality

THE RSIS MONOGRAPH SERIES

Monograph No.	Title
1	Neither Friend Nor Foe Myanmar's Relations with Thailand since 1988
2	China's Strategic Engagement with the New ASEAN
3	Beyond Vulnerability? Water in Singapore-Malaysia Relations
4	A New Agenda for the ASEAN Regional Forum
5	The South China Sea Dispute in Philippine Foreign Policy Problems, Challenges and Prospects
6	The OSCE and Co-operative Security in Europe Lessons for Asia
7	Between and Between Southeast Asian Strategic Relations with the U.S. and China
8	Fading Away? The Political Role of the Army in Indonesian Transition to Democracy, 1998–2001
9	The Post-Tsunami Reconstruction of Aceh and the Implementation of the Peace Agreement
10	Post-Suharto Civil-Military Relations in Indonesia
11	People's ASEAN and Governments' ASEAN
12	Forgetting Osama Bin Munqidh, Remembering Osama bin Laden The Crusades in Modern Muslim Memory
13	Do Institutions Matter? Regional Institutions and Regionalism in East Asia
14	Population Movements and the Threat of HIV/AIDS Virus at the Bangladesh-India Border
15	Collaboration under Anarchy Functional Regionalism and the Security of East Asia

THE RSIS MONOGRAPH SERIES

Monograph No.	Title
16	Pandemic Preparedness in Asia
17	The 2008 Mumbai Terrorist Attacks Strategic Fallout
18	Islamic Education in Malaysia
19	Practising Strategic Foresight in Government The Cases of Finland, Singapore and the European Union
20	A Decade of Combating Radical Ideology Learning from the Singapore Experience (2001–2011)
21	From ‘Boots’ to ‘Brogues’ The Rise of Defence Diplomacy in Southeast Asia
22	ASEAN-China Free Trade Area Challenges, Opportunities and the Road Ahead
23	India-Japan Relations Drivers, Trends and Prospects
24	Climate Change, Migration and Human Security in Southeast Asia
25	Demilitarising the State The South and Southeast Asian Experience
26	Offshore Oil and Gas Safety and Security in the Asia Pacific The Need for Regional Approaches to Managing Risks
27	National Security Decision-Making in India
28	India-ASEAN Defence Relations
29	Pemuda Rising Why Indonesia Should Pay Attention to its Youth
30	The 13th Malaysia Elections Issues, Trends and Future Trajectories
31	Military Modernisation and Buildup in the Asia Pacific The Case for Restraint
32	Navigating the Indo-Pacific Arc
33	ASEAN and the Indian Ocean The Key Maritime Links

The Indian Ocean is a strategically important yet volatile region, closely intertwined with ASEAN's economic and strategic prospects. Both ASEAN and its member states need to step up engagement in the Indian Ocean Region to avoid being marginalised in future strategic affairs and economic initiatives. Common interests and common threats abound, especially within the maritime realm, and greater cross-regional cooperation is a timely necessity.

This volume is a collection of short essays on the key dynamics and developments within the Indian Ocean Region maritime domain and their implications for ASEAN states. It provides a set of focused objectives and practical avenues for promoting linkages between ASEAN and the Indian Ocean Region, which, it is hoped, will lead towards a shared vision of maritime security and prosperity.