

**Maritime Security in Southeast Asia  
with special emphasis on the Straits of Malacca and Singapore.**

Presentation to the MSU conference on International Cooperation  
in the War Against Terror in the Asia-Pacific Region, March 8-9, 2006,  
By Michael Richardson, visiting senior research fellow,  
Institute of South East Asian Studies, Singapore.

It is clear that a waterway which provides the shortest route for most shipping between the Indian and Pacific oceans, and carries a substantial part of the world's trade, including oil, will be a strategic focal point for major users - especially if they are extra-regional powers with no sovereign rights and only limited influence over management of the straits by the three coastal states, Indonesia, Malaysia and Singapore.

Because the straits are less than 24 miles wide for much of their 620-mile length, the shipping lanes run through the territorial waters of the three littoral states in the narrowest and most critical 'chokepoint' sections as vessels approach Singapore. These national waters extend out to a maximum of 12 miles from the coast, or to a halfway point if the distance between two countries on either side of the straits is less than 24 miles.

### **International Interest**

The prevalence of piracy or sea robbery in and around the Malacca and Singapore straits in recent years, and the concern that terrorists could try to strike at one of the narrow and relatively shallow parts of an artery that is critical for global trade and the movement of naval power, has made straits security a key issue for defence policy planners in China, India, Japan and the United States. Over 60,000 vessels involved in international trade, or an average of about 170 a day, transit the straits and the traffic is growing. They carry about one quarter of global trade, a substantial part of the world's energy shipments and at least 75% of the oil imported by Northeast Asia's industrial giants - China, Japan and South Korea. This is increasing the strategic significance of Southeast Asia's main waterway for many countries.

Fortunately, China, India, Japan and the US have a common peacetime interest in unhindered passage and secure navigation through these relatively shallow and increasingly congested straits. Their prosperity depends on the prosperity of their trading partners and a smoothly functioning seaborne trading system. But the interests of these four extra-regional powers in the Southeast Asian straits are not identical and this needs to be recognised.

### **China**

Let's look at China first. Much of China's seaborne merchandise trade goes across the Pacific, especially to its number one market, the US. But a significant amount of Chinese trade flows through the Malacca and Singapore straits, including critical

energy imports. For more than a decade, China's economic growth has been turbo-charged and its domestic crude oil production has been unable to keep pace.

China was a net oil exporter in 1993; today it is a major oil importer and the world's second biggest consumer, after the US and ahead of Japan. Of all the oil China uses to power its transport, its industry and to generate some of its electricity, over 40% is now imported at a cost of more than \$US40 billion per year. Of that, some 75% comes from the Middle East and Africa, mainly via the Malacca and Singapore straits.

China's reliance on oil imports seems set to increase. The International Energy Agency has forecast that by 2030, China will import almost 10 million barrels of oil per day, as much as the US currently imports. By 2030, China's import dependence will have risen to 74%, according to the IEA. In other words, China will be importing nearly three quarters of its oil by then. Most of it is likely to come, as now, from the Middle East and, to a lesser extent, from Africa through the Southeast Asian straits.

## **India**

India is even more dependent on imported petroleum than China. But unlike China, India does not rely on the Southeast Asian straits for its imports of oil. Most of these imports come direct from the Middle East, Africa or parts of Asia quite close to India, and will continue to do so. Moreover, India's large naval fleet and its experience in operating advanced submarines and small aircraft carriers, give it a far greater capacity to protect its energy supply lines through the Arabian Sea and Indian Ocean than China can do with its expanding but still far from adequate blue water navy and its lack of reliable bases in South Asia or Southeast Asia for projecting either maritime power or air cover.

Although India does not rely on the Malacca and Singapore straits for energy security, it shares maritime borders with three Southeast Asian countries - Indonesia, Thailand and Burma – and has a close strategic interest in the straits. India is already a significant military power and will become stronger by leveraging on its economic growth, science and technology, as China is doing. With naval and air bases in the Andaman and Nicobar Islands and an ability to project both sea and air power from there, India commands the western approaches to the Malacca and Singapore straits.

India's trade with Southeast Asia is rising and it wants to protect the sealanes that carry its commerce. India also keeps a wary eye on China as the latter expands its blue water navy. This may give the Chinese fleet the capability to operate on a regular basis in the Indian Ocean in future, among other things to safeguard China's oil import supply lines. But without access to reliable bases of the kind the US and Britain have on Diego Garcia atoll, it will be a difficult stretch for the Chinese navy.

Meanwhile, India's relations with the US are intensifying on a broad front. Last June, the two countries signed a framework agreement for their defence relations over the next decade, as part of what both sides say will be a broader US-India strategic partnership with global scope. Since then bilateral military-to-military contacts have been

extended. A joint exercise off India in September and October was the largest so far between the two navies and the first to involve both US and Indian aircraft carriers. It included counter-terrorism, counter-proliferation and anti-piracy components.

The joint statement issued by US President George Bush and Indian Prime Minister Manmohan Singh after their talks in New Delhi last week said that the two governments had agreed on a Framework for Maritime Security Cooperation. The text says that the two countries are committed to comprehensive cooperation to ensure a secure maritime domain. They have pledged to work together, and with other regional partners as necessary, to protect the free flow of commerce and to counter threats that could undermine maritime security. These include: piracy and armed robbery at sea; threats to the safety of ships, crew, and property as well as safety of navigation; all kinds of transnational organised crime; illicit trafficking in weapons of mass destruction, their delivery systems and related materials; environmental degradation; and natural disasters. Without specifically saying so, India now appears ready to work with the US and its partners in Proliferation Security Initiative to intercept illegal WMD shipments at sea, on land and in the air. Both sides are working to finalise a Logistics Support Agreement as quickly as possible. It will enable the Indian and US armed forces to cooperate more easily during combined training exercises as well as disaster relief operations of the kind that took place in December 2004 and January 2005 when the Indian and US militaries worked closely in providing aid to tsunami victims.

How much further US-India defence ties will go in practice remains to be seen. But the potential for collaboration in protecting the seelanes between Southeast Asia and the Persian Gulf is extensive. In effect, the US could outsource surveillance and patrol work in critical areas to India while building a vital new element into the US concept of 1,000-ship multinational navy based on partnership and task sharing. However, New Delhi is also working to improve its relations with Beijing and is unlikely to become part of any strategy overtly designed to contain China. Indian officials have made it clear that they believe the country's interests are best served by maintaining constructive and balanced relations with all the major powers, including China.

### **The US, Japan & South Korea**

The US has vital military and alliance interests in the Malacca and Singapore straits. Relatively little of America's oil imports come through the straits. But as much as 80% of the oil used by its Northeast Asian allies, Japan and South Korea, is carried by tankers that traverse Southeast Asia. To preserve its alliances, the US must protect the oil lifelines of these allies. Most of their oil passes along the Malacca and Singapore waterway but the biggest laden tankers go through Indonesia, via the Sunda Strait or the Lombok and Makassar straits.

The US also sends warships, including aircraft carriers, from its Pacific Fleet through the Malacca and Singapore straits to reinforce its military presence in the Arabian Sea and Persian Gulf – the source of most of the world's exportable oil and a major source of the oil that the US itself imports. This naval 'surge' capacity through the

straits is especially important to Washington at times of crisis in the Gulf or Indian Ocean region.

**US Concern** - In March 2004, amid rising concern about pirate attacks and possible terrorist strikes against shipping in the Malacca and Singapore straits, a senior US military commander caused controversy when he suggested that US special forces or marines on high-speed vessels might be sent in to “conduct effective interdiction.”

The US Pacific Command said that the remarks to a Congressional panel in Washington were distorted in media reports. But they served to underline the strategic importance of the straits to many countries outside Southeast Asia. They also prompted the three coastal states flanking the straits to take a series of measures to tighten security in the waterway and ensure that their sovereign control was not challenged. This has involved both individual state measures and combined inter-state action.

**SEAsian Coastal State Cooperation** - Malaysia, for example, recently announced that it would add up to 15 new high-speed police boats to its force to ensure security in Malaysian sections of the Malacca straits. It has divided its section of the straits into local patrol zones. Indonesia is constructing a series of radar sites along its coastline overlooking the straits, to complement similar sites in Malaysia and Singapore. The Singapore side of the straits is tightly protected by a carefully constructed system of surveillance and patrolling.

In their latest joint step to keep the straits safe, the armed forces of Indonesia, Malaysia, Singapore and nearby Thailand have agreed on operating procedures that will allow a patrol ship from one of the four countries to cross into the waters of another in pursuit of pirates, terrorists or other suspected maritime criminals.

The four had earlier agreed to mount coordinated warship patrols in their own waters in the straits and, more recently, to launch air patrols along the waterway. Indonesia, Malaysia and Singapore plan to sign a standard operating procedure plan for their joint air patrols this month.

Australia in December reached an outline agreement with Indonesia, Malaysia and Singapore to add Australian maritime aircraft to the air patrols, saying that each flight would carry observers from one of the three coastal states. For their part, the US and Japan have offered to provide vessels to Indonesia to beef up its naval patrol capacity. The US has said that once the SOP for joint air patrols has been signed, it will see how it can help.

Indonesia and Malaysia have ruled out foreign naval patrols in their waters in the Malacca strait and objected to private companies providing armed escorts for vulnerable ships. However, there is now a consensus to accept other forms of outside assistance provided it meets local requirements and does not compromise national sovereignty. Indonesian and Malaysian officials have spoken of the need for capacity building, equipment, patrol aircraft, training and information-sharing. This is supported by

Singapore which has been more proactive in seeking outside involvement in straits security.

**Fall in Piracy** – The coastal state actions appear to be improving straits security. Only two cases of maritime crime, commonly referred to as piracy, were reported in the straits in the third quarter of 2005, compared to eight attacks recorded from January to June in the same year, according to the annual report on piracy and armed robberies at sea around the world issued early in February by the London-based International Maritime Bureau, an arm of the International Chamber of Commerce.

The IMB and its Piracy Reporting Centre in Kuala Lumpur, Malaysia, praised the efforts of Indonesia which managed to reduce its incidence of piracy last year by 16% to 79 reported cases in its waters, from 94 in 2004. This was attributed mainly to an operation by the Indonesian navy aimed at known pirate hotspots. The number of sea robberies and attacks against ships in the Malacca and Singapore straits fell by 68% in 2005 to 12, from 38 the year before.

It should also be noted that although attacks by armed robbers have been a chronic problem in the waterway, there has never been a terrorist attack against a ship passing through the straits despite official concerns that the artery could become a target.

**China Reassured?** - The tighter security and the fall in pirate attacks have evidently provided some reassurance to China that the US military will not be directly involved in securing a maritime artery that carries about three quarters of Chinese oil imports.

As a result, Beijing appears to be taking a more relaxed attitude towards countries like India and Australia, which have close ties to the US, taking part in patrols of regional waters with the agreement of Southeast Asian governments. And for the first time, Beijing has offered to provide aid to regional countries that want to improve their maritime safety and security.

In September, China told a meeting in Jakarta held under the auspices of the International Maritime Organisation it was ready to help coastal states that requested aid to improve security and safety in the Malacca and Singapore straits.

Ju Chengzhi, the director general of China's Ministry of Transportation, said that the Chinese government supported the efforts and the dominant role of the littoral states in safeguarding sovereignty and security in the straits. "However, we have also been aware that the littoral states are facing increasing challenges from the continuing growth of maritime traffic in the straits and that their resources are being strained," he added.

China's main concern is to ensure that its vital energy and trade supply lines through the straits are not disrupted. It wants countries close to the Southeast Asian waterway to provide protection, thus keeping America at arms length.

**Indian Role?** - However the countries which China is prepared to see offer protection may include India. The Chinese ambassador to India, Sun Yuxi, reportedly said in October 2005 that although Beijing did not favour powers from outside Southeast Asia patrolling regional waters, “as far as India is concerned, we don’t have a problem.” But Mr Sun added that if the Americans “come and put their battleships there, we might worry about it.”

**Next Steps** - What is the feasible way forward to enhance security in the Malacca and Singapore straits? Any proposals must have the concurrence of the coastal states. They are now receptive to outside assistance that increases local capacity to offer greater protection to shipping in the straits. However, my sense is that Indonesia and Malaysia remain very wary of anything that smacks of big power naval patrols in or near their waters in the straits – whether it is the US, Japan or China that is involved.

There may be a limited or occasional role for the Australian navy in straits security in cooperation with two of its partners, Malaysia and Singapore, in the longstanding Five Power Defence Arrangements. The FPDA naval exercise schedule has been adjusted in the last couple of years to include a maritime counter-terrorism component.

Another promising avenue - and one that I believe would be acceptable both to Southeast Asian nations and to extra-regional powers with strategic interests in straits security, possibly even including China - is to have India extend its naval and maritime air operations in the Andaman Sea to include more regular patrols with Indonesia, Malaysia, Singapore and Thailand. India already holds periodic bilateral naval exercises with these countries and has agreements with some of them for coordinated joint patrolling within their respective waters.

A precedent exists for extending such activities into the Malacca and Singapore straits. Following Al-Qaeda’s attacks on the US in September 2001 and the terrorist organisation’s used of small boats packed with explosives to strike the destroyer USS Cole in October 2000 and a French-registered tanker laden with oil two years later, both off Yemen, the Indian navy in 2002 escorted unarmed US merchant ships carrying ammunition and other supplies through the Southeast Asian straits for US forces fighting against Al-Qaeda and its Taliban allies in Afghanistan. This escort operation did not raise objections at the time from any of the coastal states.

Because of continuing sensitivities about protecting national sovereignty, any security architecture for the Malacca and Singapore straits must be a locally- or regionally-anchored structure. It should be cast as a cooperative security regime, with outside powers, including China, Japan, the US and India, playing a supporting role. Only then will it gain widespread acceptance in Southeast Asia.

Footnote:

Exactly how important are the Malacca and Singapore straits for global commerce? It has become accepted as fact that they carry between one quarter and one third of the world's trade by volume and half its internationally traded oil. News agencies and journalists regularly use these figures. So do Singapore government ministers and the US Pacific Command. I have often done so myself when writing about maritime security.

I am not sure about the accuracy of the trade volume estimate but the International Energy Agency, which does in-depth research on energy issues for the 30 industrialised economies in the OECD, estimates that 11 million barrels of oil per day passed through the Malacca and Singapore straits in 2002. This was 32% of the **recorded global oil trade**. The IEA forecasts that by 2030 the straits will be carrying 24 million barrels of oil per day, or 37% of the global oil trade.

In 2002, the world consumed 77 million barrels of oil per day. But some of this oil was used in the countries that produced it and was not exported. The IEA has estimated that oil imports moving through the Malacca and Singapore straits as a proportion of **total world demand** for oil will rise from 14% in 2002 to 20% in 2030. So, however you look at it statistically, the straits are a vital artery.