





PS 4 (c)

# PLENARY SESSION FOUR 2 JUNE 2015

THE MARITIME DOMAIN: STRENGTHENING STABILITY, PROMOTING CONFIDENCE

Southeast Asia: Naval Capabilities and Regional Cooperative Mechanisms

by

**Dr Vijay SAKHUJA** 

Director National Maritime Foundation, India

SPONSORS











#### **Southeast Asia:**

## **Naval Capabilities and Regional Cooperative Mechanisms**

### \*Vijay Sakhuja

In Southeast Asia, maritime security forces are witnessing major transformation. The navies are building capabilities to respond to traditional and non-traditional threats and challenges at sea. The regional countries are also investing in coast guards and maritime enforcement agencies for a number of tasks such as maintaining order at sea, protection of Exclusive Economic Zones (EEZ), and securing offshore resources. There is also technological transformation underway to enhance maritime domain awareness through systems and processes. Further, a web of maritime related institutions has mushroomed in the region and these have found favour among the regional and extra regional countries that have chosen to actively participate in the related activities, dialogues and discussions. In the above context, the paper attempts to highlight the drivers and trends in regional naval acquisitions. It also showcases the ASEAN led agreements and arrangements for enhancing regional security.

## **Drivers for Naval Acquisition**

There are at least six important reasons for Southeast Asian navies to develop robust naval capabilities. First, the constants of geography mandate that Southeast Asian countries build naval power to defend sovereignty and safeguard territory, and uphold national interests. The second reason is that the navy is the primary force for anti-access duties to preclude intervention from the sea as also for projection of naval power. The necessity to exercise control and jurisdiction over territorial waters, EEZs and continental shelf is the third reason. Fourth, the navies are most suitable to respond to humanitarian assistance and disaster relief (HADR) missions and counter asymmetric and low intensity threats and challenges. The ripple effect of the ongoing naval transformation among other Asia Pacific countries is the fifth reason. The sixth reason is the forward presence of extra-regional naval forces in the region deployed in both cooperative and competitive formats.

### **Regional Naval Trends**

There is significant interest among Southeast Asian navies to acquire advance naval platforms, technologies and weapon systems. Delivery of major naval vessels in the region has

witnessed a steady increase in the last two decades and over 100 combatants were acquired by the regional navies and several more are under construction and consideration.

## Defence Spending

Perhaps what merits attention is that the naval acquisitions have continued unabated despite the financial crises in 1997 and 2007; further, the current economic growth has ensured that naval modernisation remains a high priority in the national agenda and the acquisition plans appear to be as per the requirements and perspective plans. The Stockholm International Peace Research Institute (SIPRI) report notes that the collective defence spending by Southeast Asian countries witnessed increase from US \$14.4 billion in 2004 to US \$35.5 billion in 2013, which is about 147 per cent increase during the period 2000-2010. Further, regional military expenditures increased during 2012-2013 by nearly 10 per cent and projected to exceed US \$40 billion in 2016. Significantly, the defence spending hovered around 2 to 4 per cent of GDP and the collective average for ASEAN in 2013 was about 2.11 per cent. Among these, Myanmar (4.5 per cent of GDP); Singapore (3.4 per cent of GDP); Vietnam at 2.3 per cent is noteworthy; and Indonesia was low at 0.9 per cent of GDP.

## Warship Building

There are not many shipbuilding yards in Southeast Asian that can construct warships. The lack of this capacity can be attributed to a number of resons such as poorly developed military industrial complex, low technological capability to build ships, high cost of construction, preference for imported warship, non-instance on joint development and transfer of technology from foreign sources, and preference for import substitutions. As a result, nearly ninety per cent of all naval platform demands of the Southeast Asia navies are met through imports and built by foreign companies.

In recent times, some shipyards in Southeast Asia have chosen to assemble 'knocked down kits', joint ventures for constructing warships, and absorb best practices for quality control. These initiatives have begun to transform the regional warship building market which is taking full advantage of the low labour costs, partnership with domestic companies and in some cases, the government have provided fiscal and technological support. PT PAL in Indonesia, SB and Marine, Singapore, and Singapore Technologies (ST) Marine, and Boustead Naval Shipyard,

Lumut, are important regional warship building yards. Myanmar has developed some capability to build warships and the performance of the Naval Dockyard in Yangon in noteworthy. In Vietnam, Hong Ha Shipbuilding Company successfully built a warship using state-of-the-art technology indigenously for the Vietnam Navy.<sup>3</sup> The ship is based on the Russian Svetlyak OPV design and built with Russian assistance.

## **Submarines**

Among the naval platforms, the submarines appear to be popular among the Southeast Asian navies. These serve a number of purposes such as force deterrent, anti access platforms, force multipliers, and in some cases, these are for enhancing naval prestige. It is believed that the 'Asia-Pacific region could operate more than 130 diesel-electric submarines (SSKs) by 2020'. <sup>4</sup> The acquisition of six submarines by the Vietnam Navy under a single contract makes it one of the biggest among the Southeast Asian navies in terms of submarine purchases. Singapore (4 units) and Indonesia Navy (two units) also operate submarines and another pair each is expected to join soon. Malaysia also has two submarines and Myanmar and Thailand are considering acquisition. However, it has been observed that in case submarine operations remain unregulated, an "underwater incident" could be a reality. <sup>5</sup>

### Expeditionary and Amphibious Platforms

Southeast Asian navies' interest in building or acquiring expeditionary/amphibious capabilities is gaining momentum. These platforms serve a number of purposes: respond to natural phenomena and disasters such as cyclones, typhoons, storm surges and Tsunamis; however, there are fears that in some cases these go far beyond the HADR purposes. The Singapore Navy operates the Endurance-class multipurpose LPDMs capable of carrying two Super Puma helicopters on deck and 18 main battle tanks. Singapore also has plans to acquire a Joint Multi-Mission Ship (JMMS) capable of hosting a number of helicopters. The Malaysian government announced plans in 2010 to acquire three Multi-Role Support Ships (MRSS) for humanitarian assistance and disaster relief. Indonesia acquired a LPD vessel from South Korea and this was followed by four Makassar-class LPDs. Similarly, the Thai Navy operates the HTMS Ang Thong, 7,600-ton Endurance-class Landing Platform Dock (LPD) ship, built by the Singapore Technologies Marine Ltd (ST Marine). Myanmar is in advanced negotiations with

the Indonesian shipbuilders PT PAL to acquire Makassar class LPDs.<sup>11</sup> Similarly, Philippines in partnership with PT PAL has plans to build two Strategic Support Vessel (SSV) which is a modified version of the Makassar class LPDs.<sup>12</sup>

## Naval Aviation

According to data listed by IHS Jane's Fighting Ships, Southeast Asian navies operate a variety of helicopters and maritime patrol aircraft from ships and shore bases. Force multipliers such as UAVs and mid-air refueling are also being considered. Indonesia plans to acquire US-2 amphibious aircraft built by ShinMaywa Industries Ltd Japan, <sup>13</sup> and it fits well into the Indonesian Navy's strategy which is sharply focused on maritime control of the archipelago. *C4ISR* 

Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance (C4ISR) is at the heart of modern day warfare and is a major constituent of the Revolution in Naval warfare (RNA). The Southeast Asian navies are not immune to RNA and some of them have developed network centric warfare capability. The Singapore Navy has taken the lead to transforms and has successfully undertaken system integration of the ship and airborne systems and other information sources to obtain an 'intelligent' tactical picture. <sup>14</sup> The Malaysian Navy is part of the Malaysian Armed Forces VMAF 21 (Versatile of the 21st Century) program, which envisages 'joint-service operations, force projection, and new combat capabilities. Indonesia's Minimum Essential Force (MEF) build up strategy encourages integration of conventional and cyber capabilities. The Brunei Navy benefits from the Joint Operations Centre command and control capability for the Royal Brunei Armed Forces (RBAF) including provision for training and technical support.

### **Regional Cooperative Mechanisms**

The ASEAN Regional forum (ARF) can be dubbed as the first attempt by the Southeast Asian countries to address regional maritime security issues multilaterally. It emerged in 1994 in the backdrop of the end of the Cold War and in the last two decades, it has found resonance among the partners who have addressed both contentious and non-contentious security issues that span the spectrum of 'hard security' to 'non-traditional security' including Confidence Building Measures (CBMs) and preventive diplomacy.

In the maritime domain, the ARF established a number of dialogue mechanisms for maritime and naval CBMs. In 1999, the ARF held the first Meeting of Specialist Officials on Maritime Issues and since then a number of meetings, dialogues and workshops have been organized by the ARF. These include, the 2003 ARF Workshop on Maritime Security Challenges; 2004 Regional Maritime Security; 2005, Regional Cooperation in Maritime Security; 2005 Training for the Cooperative Maritime Security; 2005 Capacity Building of Maritime Security; 2006, Maritime Security Shore Exercise Planning Conference; 2007 ARF Maritime Security Shore Exercise; 2007 Round Table Discussion on Stocktaking of Maritime Security Issues; 2008 Training Programme on Maritime Security; 2008, Advanced Maritime Security Training Programme for ARF Member States; and the 2009 Measures to Enhance Maritime Security. Since 2009, the ARF has hosted the Inter-Sessional Meeting on Maritime Security(ISM on MS) which has now emerged as an annual feature.<sup>15</sup>

Another important constituent of the ASEAN led maritime security initiatives is the annual ASEAN Defence Minister's Meeting (ADMM) established in 2006.<sup>16</sup> At the operational level, the 23<sup>rd</sup> ASEAN Summit in Brunei, the ASEAN leaders announced that they were looking forward to "developing the ideas of establishing hotlines of communication to further enhance trust, confidence, and to respond to emergency situations at sea".

The ADMM Plus (which includes China, India, Japan, South Korea, Australia, New Zealand, Russia and the United States as members) has identified five priority areas for cooperation (a) maritime security; (b) counter-terrorism; (c) disaster management; (d) peacekeeping operations and (e) military medicine. These issues are addressed through Experts' Working Groups (EWGs) who work towards practical cooperation. Although the stated aim of the ADMM Plus is to address non-traditional security issues, apparently there is an implicit component to address other regional security issues such as tensions in the Korean peninsula, competing claims in South China Sea, and even China US relations that turn acrimonious on regular basis and could undermine regional security. Similarly, in 2011, the ASEAN countries decided to expand the ASEAN Maritime Forum (AMF) as Expanded ASEAN Maritime Forum (EAMF) to include other partners from Asia.

The 21 member Council for Security cooperation in the Asia Pacific (CSCAP) is a Track II initiative and setup a number of Study Groups and Experts Groups<sup>17</sup> to discuss maritime issues: (a) Facilitating maritime security cooperation in the Asia Pacific; (b) Naval enhancement in the Asia Pacific; (c) Capacity building for maritime security cooperation in the Asia Pacific; and (d) Principle for Good Order at Sea. In 2015, it established a study group on Harmonising Air and Sea SAR.

It is noteworthy that the above maritime and naval web of relationships is also backed by operational initiatives. In 2012, the Southeast Asian navies decided to set up an ASEAN Information-Sharing Portal (AIP) as a "regional maritime information hub, to enhance maritime situation awareness and provide early warning triggers and actionable information to cue timely regional responses". The Singapore Navy and the Indonesian Navy have institutionalized Submarine Rescue Support and Cooperation arrangement which establishes a framework of submarine rescue support and cooperation. Malaysia has proposed setting up a Joint ASEAN Peacekeeping Force. Proce.

The Southeast Asian countries have also harnessed the defence industry which is performing the dual role of facilitating marketing products as also enhancing maritime security that goes beyond military sales. There are some very good examples of such initiatives by the industry: Langkawi International Maritime and Aerospace Exhibition (LIMA), Lankawai, Malaysia; and the International Maritime Security Exhibition (IMDEX), Singapore.

## Conclusion

The ASEAN led maritime structures and arrangements have over the years matured and are performing well at the functional and operational levels. The regional navies are an important component of the evolving Asia Pacific security architecture and have received active support from other regional powers that have encouraged the ASEAN to lead the cooperative discourse across the wider Asia Pacific region. The regional navies have been in the forefront to build confidence among themselves and other regional countries which has contributed to peace and stability.

### **Notes**

<sup>3</sup> "Vietnam Emerges as a Warship Builder",

http://www.bairdmaritime.com/index.php?option=com content&view=article&id=12118:vietnam-emerges-as-awarship-builder&catid=113;ports-and-shipping&Itemid=208 (accessed 31 March 2015).

<sup>6</sup> Koh Swee Lean Collin, "Southeast Asia's Emerging Amphibious Forces", *The Diplomat*, 17 October 2014.

<sup>7</sup> IHS Jane's Fighting Ships 2014-2015, p.756.

- 10 "Thailand's Endurance Class LPD", http://www.defenseindustrydaily.com/Singapores-ST-to-Build-LPDLST-Landing-Craft-for-Regional-Navy-05152/ (accessed 3 March 2015).
- <sup>11</sup> Jon Grevatt, "Myanmar Navy and Indonesia's PT PAL in LPD talks", IHS Jane's Defence Industry, 22 July 2014. <sup>12</sup> Ridzwan Rahmat, "PT PAL Cuts Steel on First Philippine Navy Sealift Vessel", IHS Jane's Navy International, 26 January 2015.
- <sup>13</sup> "Indonesia Mulls Buying Japan's US-2 Amphibious Aircraft, Defence Chief Says", *The Japan Times*, 6 April 2015.
- <sup>14</sup> Gordon Arthur, "Network-Centric Warfare in Asia", <a href="http://www.isn.ethz.ch/Digital-">http://www.isn.ethz.ch/Digital-</a>
- <u>Library/Articles/Detail/?id=167921</u> (accessed 16 December 2014).

  To details of ARF Track I activities see <a href="http://aseanregionalforum.asean.org/library/arf-activities/list-of-arf-track-">http://aseanregionalforum.asean.org/library/arf-activities/list-of-arf-track-</a> i-activities-by-inter-sessional-year.html ((Accessed 31 March 2015).
- <sup>16</sup> For more details on the ADMM, see "ASEAN Defence Ministers Meeting (ADMM)", http://www.asean.org/communities/asean-political-security-community/category/asean-defence-ministers-meetingadmm (accessed 31 March 2015).
- 17 "Study Groups", http://www.cscap.org/index.php?page=study-groups (accessed 15 April 2015)
- <sup>18</sup> RADM Chew Men Leong, "The Information Fusion Centre: Challenges and Perspectives", *Pointer*, p.2 http://www.mindef.gov.sg/imindef/publications/pointer/supplements/IFC/ jcr content/imindefPars/0006/file.res/MI NDEF Pointer% 20IFC% 20Supplement% 20FINAL.pdf (accessed 24 December 2014).
- 19 "Arrangement between the Republic of Singapore Navy and the Indonesian Navy Concerning Submarine Rescue Support and Cooperation",
- http://www.mindef.gov.sg/imindef/press\_room/official\_releases/nr/2012/jul/09jul12\_nr/09jul12\_fs2.html#.VSjPT2 C6Zjo (accessed 31 March 2015).
- <sup>20</sup> Amy Chang, Ben FitzGerald, and Van Jackson, "Shades of Gray: Technology, Strategic Competition, and Stability in Maritime Asia", Maritime Strategy Series, March 2015, p.5.

<sup>&</sup>lt;sup>1</sup> Cited in "Military Expenditures in Southeast Asia", http://www.indopacificreview.com/military-expendituressoutheast-asia/#sthash.1ja6Qdqg.dpbs (accessed 30 November 2014). Also see, Richard A. Bitzinger, "IMDEX Asia: Southeast Asian Naval Expansion and Defence Spending" http://www.rsis.edu.sg/wpcontent/uploads/2015/05/CO15120.pdf (accessed 23 May 2015).

<sup>&</sup>lt;sup>2</sup> "Military Expenditures in Southeast Asia", <a href="http://www.indopacificreview.com/military-expenditures-southeast-">http://www.indopacificreview.com/military-expenditures-southeast-</a> asia/#sthash.1ja6Odgg.dpbs (accessed 30 November 2014).

<sup>&</sup>lt;sup>4</sup> Ridzwan Rahmat,"IMDEX 2015: RSN Warns of Risks in Submarine Proliferation in Asia, Proposes Operational Framework", IHS Jane's Navy International, 20 May 2015.

<sup>&</sup>lt;sup>5</sup> "Singapore, Malaysia and Indonesia Could Extend Joint Patrols in South China Sea", http://www.channelnewsasia.com/news/singapore/singapore-malaysia-and/1838338.html (accessed 13 May 2015).

<sup>&</sup>lt;sup>8</sup> "Armed Forces to Get 3 Support Ships Worth RM 2.2bil (USD 650mio)", http://defensestudies.blogspot.in/2010/06/armed-forces-to-get-3-support-ships.html (accessed on 22 December 2014) <sup>9</sup> IHS Jane's Fighting Ships 2014-2015, p.368.

<sup>\*</sup> Dr Vijay Sakhuja is Director National Maritime Foundation, New Delhi.