

PRESENTATION AT GALLE DIALOGUE, SRI LANKA
"INDIAN NAVY'S PERSPECTIVE ON REGIONAL COOPERATION;
TACKLING MARITIME PIRACY"

1. ▲ Good Morning gentlemen, I am Captain Sunil Balakrishnan, Director Naval Operations, Indian Navy and it is my proud privilege to address this august seafarers gathering and gives me great pleasure to present views on some aspects of Regional Cooperation in the emerging maritime environment, specially the scourge of piracy and also to throw some light on Indian Navy's initiatives towards such cause.

Globalisation

2. ▲ At the outset, I would like to say a few words about globalisation which makes cooperation amongst nations a necessity. In the modern world urbanisation, technological advancements, maritime trade, rising & mobile population, information revolution and economic wellbeing amongst many other factors have given rise to globalization. ▲ Since it effects the states in every sphere, globalisation is the core of the strategic environment existing today. ▲ Due to trans-border character, globalisation has a direct bearing on the way a nation manages its military for its security. Globalisation encourages development of ▲ 'borderless world' driven by the creation of various transnational economic and technological trends, therefore a nation's security paradigm gets ▲ severely impacted by what is happening in far away places as is best surmised by ▲ Mr Brendon Nelson, Australian Defence Minister in 2007 - **I quote** ' What happens in the Middle East and more remote parts of the world is no less important to our security and interests than what happens on our borders' **Unquote**.

3. ▲ Globalisation is a dynamic phenomena as amongst other factors, trade and business produce a constantly changing scenario as could be witnessed by the ▲ global impact of the recent economic melt down in the US.

4. ▲ Gobalisation predominantly relies on the free flow of sea-based shipping thus acquiring a ▲ maritime character, which is of particular interest to the navies. The international shipping - backbone of globalisation - through rapidity of communication has multiplied and strengthened the bonds that knit together the interests of the nations to one another in an unprecedented way ▲ creating certain interdependencies. These interdependencies, in turn, are vulnerable for exploitation by groups with narrow and parochial interests. The threats could include attacks or disruption by ▲ groups hostile to the idea of globalisation, international maritime crimes such as piracy, drug and arms smuggling and illegal human trafficking as well as ▲ unsustainable plundering of maritime resources or even a natural calamity.

5. ▲ Further, we all are aware of the state of governance in Somalia and consequent rise of piracy in that region. This indicates that conflict and ▲ instability ashore will have disruptive effects on the neighbouring seas which in turn will impact the world in some way or other.

6. ▲ Thus maintaining the security of globalisation is a role for navies from which they can not shrink away. This in turn points towards the necessity of developing a cooperative arrangement amongst the like minded navies. In fact ▲ historically navies through the ages have been the flag bearer of the globalisation as it existed then.

7. ▲ Navies have been always operating ▲ beyond the terrestrial boundaries and also represent their countries as brand ambassadors, spreading goodwill and building bridges of friendship across the seas, while endeavouring to safeguard nations vital interests. ▲ The seas has always been a medium of exchange and fundamentally linked to the growth and well being of humankind. However, this medium has also lent itself to inimical activities as we are witnessing today.

8. ▲ Many contemporary problems are simply beyond the capacity of any individual country, however powerful, to resolve unilaterally: terrorism, maritime security, arms control, drug and human trafficking, climate change, refugee management, piracy and some major trade and financial imbalances – all need ▲ cooperative and collective action. Global level responses may be optimal, but problems which are primarily regional in scope and character are likely to be better dealt with at that level, given limitations of time, attention, commitment and reserves at the global level.

9. ▲ One thing is clear and that is, ▲ increased security depends on coordinated security awareness and broader collaboration in response to maritime threats. ▲ The layers of accepted Maritime Security Cooperation and Awareness are as shown:-



10. ▲ Given the plethora of maritime security initiatives which are now rapidly evolving around the world, the challenge is of taking ▲ the best of the diverse processes to form an international framework for effective maritime security cooperation and awareness.

11. ▲ Enhanced maritime security begins with a framework of domestic law enforcement and security activities coordinated amongst various national agencies. This then translates into collective interests to facilitate broader cooperation for geographical regional activities and can culminate in intra regional or global initiatives.

12. ▲ The key enablers for greater maritime security cooperation accepted worldwide are now flashed (pause):-

- (a) Consolidated Legal and Policy Strategies
 - (i) Legal Obstacles
 - (ii) Policy Obstacles
 - (iii) Information Classification/Security Obstacles
- (a) Information Sharing – white shipping
- (b) Data / Information Standards
- (c) Surveillance and Technology
- (d) Commercial Interests
- (e) Inter Organisational Relationships

13. ▲ Master key enabler according to me is the sharing of information among appropriate agencies and partners to achieve a secure maritime environment. Further, ▲ standardization of data provides the foundation for the global exchange of maritime data and information.

14. ▲ An obvious concern of the Shipping Industry is safety and security of crew, vessels and cargo. A well aligned maritime regulatory and security cooperation system based on the voluntary exchange of ▲ commercial maritime information will promote and ensure safety of life at sea, as well as keep the International Sea Lanes safe and flourishing.

15. ▲ Let us now see the maritime security situation in Indian Ocean, which concerns all of us.

16. ▲ The Indian Ocean houses the natural junction of the busy International Shipping Lanes that criss-cross this ocean. Approximately, ▲ one-hundred-thousand ships transit the International Shipping Lanes of this region every year; and the Strait of Malacca, alone, accounts for ▲ some sixty-thousand ships annually. Of all the cargo that moves along the ISLs of the Indian Ocean, perhaps the most critical is oil. ▲ Almost 1,000 million tonnes of oil from West Asia passes from Indian Ocean annually. Some part of this is destined for our own ports, to feed the increasing demand for energy to fuel our current economic growth. ▲ A much greater proportion, however, is destined for the oil-intensive economies of the USA, Europe, China and Japan.

17. ▲ The region is also subject to a variety of security threats that are short of State-on-State conflict, yet present an equal if not greater threat to peace and stability. ▲ The strategic security of this region is shifting rapidly and a single word to describe the regional security environment would be 'Fragile'.

Regional Cooperation

18. ▲ The Indian Ocean is witnessing a rapid increase in ▲ piracy incidents and other maritime crimes such as gun running, human trafficking, smuggling etc. Also this region has the potential of great power rivalry in the 21st century due to presence ▲ rich energy resources in the area. Thus it is imperative that a regional mechanism is required to face these challenges effectively. Towards this end, the ▲ Galle Dialogue initiative as well as the Indian Ocean Naval Symposium commonly known as IONS could emerge as ▲ effective cooperative maritime security mechanisms for peace and stability in the region.

19. ▲ The need for a wider geographical overarching mechanism for collective security is being felt more now than was felt in the past primarily due to greater dependence on the seas by the nations. These initiatives would definitely contribute towards mitigating the diversity in the region to bring them together on issues of maritime interest for mutual benefit. In the words of our CNS, Admiral Nirmal Verma, ▲ “India is looking forward to constructive engagements (involving interoperability and sharing ideas and resources through a consensual process) with all navies to secure the great common”.

Menace of Piracy

20. ▲ Seafarers have had to contend with the dangers of piracy and armed robbery against ships, almost since they first set out to cross the oceans. Piracy has been a risk to shipping and seafarers for many years, but it has evolved with times. While ▲ robbery was the main

motive in the past, today ▲ hijacking, with the intention to seek ransom, is the main purpose.

21. ▲ This audience may recall that ▲ in the late 1990s and the early part of this century, armed robberies were reported in the South China Sea and the Straits of Malacca and Singapore. ▲ Through a series of measures, developed and implemented with the co-operation and support of the littoral states, there has been a significant reduction in these incidents. ▲ The Malacca Strait patrols (operation MALSINDO) jointly launched in 2004 by Indonesia, Malaysia, Singapore and Thailand, was one important measure. Other initiatives such ▲ as Regional Cooperation Agreement on Combating Piracy and Armed Robbery or ReCAAP, of which ▲ India is also a member, have encouraged information sharing amongst the regional states and this has also contributed to the marked decline of incidents in this region.

22. ▲ Unfortunately, the problem now manifests itself in other parts of the world, most notably - but not exclusively - off the coast of Somalia, in the Gulf of Aden and in the north Indian Ocean.

Reasons for Growth/Spread of Piracy

23. ▲ Piracy off the coast of Somalia, is essentially a ▲ symptom of the political problems of the country that manifest themselves at sea. ▲ Somalia itself has claimed that the origin of this piracy can be traced to illegal fishing and dumping of toxic waste by other countries in its EEZ. ▲ Nevertheless, we are aware that pirates are now well organised and are backed by an elaborate network of financiers, planners and ring leaders, who operate beyond the reach of the government in Somalia .

▲ One can say that today piracy has morphed into a lucrative and highly rewarding, though illicit business.

24. ▲ Some open source research has indicated that the piracy enterprise may be valued at between 4.9 to 8.3 Billion USD in 2010. ▲ Ransom amounts have increased to an average 5.4 million USD per ship, from just 150,000 USD five years back. ▲ The financial benefits to individual pirates, which is better than any other employment option in Somalia ensures a steady and growing number of novice volunteers to this profession. ▲ Piracy will, in my view continue to be attractive to the young people of Somalia unless the risks begin to outweigh the financial benefits.

Maritime Implications for World and India

25. ▲ There are almost daily reports of piracy attacks. Even as we gather here today, ▲ 09 ships with about 300 people are being held hostage by pirates off the coast of Somalia.

26. ▲ According to a recent study by *One Earth Future*, the economic cost of piracy to international shipping may be as high as 12 billion \$ a year. Shipping owners are facing demands for increased ransoms and consequently ▲ insurance costs have also risen. Additionally the economic and environmental cost of ▲ rerouting ships around the Cape of Good Hope and the increasing ▲ employment of private armed security guards on ships all add to the additional costs imposed by the threat of piracy.

27. ▲ Although, the economic cost of piracy is now acknowledged, the extent of the **human cost** is much less well-known and understood.

▲ Thousands of seafarers have been subject to the dangers of assaults by firings from automatic weapons and Rocket Propelled Grenades before hijack, as also ▲ beatings, confinement and torture after getting hijacked. A report by Oceans Beyond Piracy has highlighted that ▲ physical abuse is likely to be used with increasing frequency, by the pirates, to provide additional leverage during ransom negotiation.

28. ▲ The trauma experienced by our colleagues at sea and also their families, during the period of captivity and even after release, is another aspect of the human cost of piracy. Perhaps, we need to institute measures to train seafarers to deal with such situations. It was at India's specific instance that ▲ UN Security Council vide Resolution 1976 of April 11, for the first time, strongly condemned the hostage taking by pirates and expressed concern at the inhuman conditions faced by them while in captivity. On India's intervention, ▲ the Contact Group on Piracy off the Coast of Somalia, in its 9th plenary meeting held in New York on 14 Jul 11, has expressed outrage at the suffering of innocent seafarers at the hands of pirates.

29. ▲ In a sense, piracy off Somalia can be viewed as a form of maritime kidnapping. Unlike the incidents in the Straits of Malacca or in some other parts of the world where ships are boarded to carry out robbery, ▲ pirates off the coast of Somalia routinely take the merchant ship's crew hostage with the sole purpose of extracting ransom payments. This is made easy because these ▲ pirates operate out of the ungoverned parts of Somalia, with hijacked ships being held for indefinite periods off the coast, awaiting successful negotiations. Pirates or armed robbers in other parts of the world are less likely to have such

sanctuaries. This aggravates the challenges pertaining to engagement strategies and tactics by maritime security forces.

Response of the International Community and Navies

30. ▲ The response of the International Community to piracy is best represented by the work of the Contact Group on Piracy off the Coast of Somalia, or ▲ CGPCS, which is now the apex forum for international cooperation, coordination and information-sharing. ▲ India as the founder member of CGPCS has been fully engaged in the efforts of the group and will also chair the CGPCS plenary meeting next year. ▲ Following the first meeting in 2009, four Working Groups were established and tasked with addressing military and operational coordination, legal aspects, Best practices & compliance of industry standards and public awareness. The four working groups have been quite active in addressing issues in their respective areas of work with varying degree of success. The Indian Navy has been very actively contributing to Working Group 1.

31. ▲ Work Group 1 has done path breaking work in coordinating the response of international navies to incidents of piracy. ▲ Members of WG1 have taken several measures that have helped in mitigating the risks from piracy. ▲ Capacity building of regional countries has also been pursued with reasonable progress.

32. ▲ Of particular relevance and importance to us, is the operational coordination of navies at the Shared Awareness and Deconfliction, or SHADE, meetings held at Bahrain, every few months. The Indian Navy participates in all the SHADE meetings and this has provided us an

opportunity to remain abreast of the latest initiatives, being taken by other participants. ▲ SHADE is an outstanding example of cooperative engagement between navies despite their different national mandates, but all united with the common goal of fighting piracy. ▲ A recent success of this group has been an agreement between independent deployers like India, Japan and China to coordinate their anti piracy escorts, so that international shipping has more flexible options for escort schedules.

33. ▲ Overall, it may be confidently stated that actions by naval ships has reduced the success rate of pirates in hijacking merchant vessels, particularly in the Gulf of Aden which resulted in piracy spreading to other areas of the Indian Ocean, that had not experienced these attacks earlier.

IN Contribution for Counter Piracy

34. **Indian Perspective.** Needless to state that ▲ India is predominantly a ▲ maritime nation with over ▲ 7500 kms of coast, 600 islands and an EEZ of more than 2 million sq kms. Our linkages with the Indian Ocean Region are not just maritime but also civilisational. ▲ India's seaborne trade has grown rapidly and now constitutes 41% of our GDP. A large percentage of India's trade, including oil and fertilisers, also passes through the Gulf of Aden. The ▲ safety and security of maritime trade, through ships that use this route, is a major national concern, as it has a direct bearing on our economy. Although only 13% of our seaborne trade is carried on Indian flagged vessels (the remainder is carried in foreign 'bottoms'), the crew of many foreign flagged vessels are Indian nationals, since ▲ India has a large number of

seafarers. The prospect of higher risk to Indian seafarers from piracy is, therefore, of concern to us. Recently two Indian crew lost their lives when the pirates used them as human shields on their hijacked vessel. As of today ▲ 53 Indian seafarers are held captive by the pirates. ▲ Seven Indian seafarers of MV Asphalt Venture have not been released by pirates, even after the agreed ransom has been paid and the ship was released along with other crew.

35. ▲ To protect Indian-flagged ships and Indian seafarers, the Indian Navy was tasked to carry out escorts in the Gulf of Aden from Oct 08. A total of ▲ **28 Indian Naval ships** have been deployed so far in the Gulf of Aden since then. Besides escorting Indian flagged ships, ships of other flags have also been escorted. ▲ Of **1829 ships** that have been escorted by IN ships in the Gulf of Aden since Oct 08, more than 80% have been of other flags.

36. ▲ During these escorts, ▲ **39** piracy attempts, on variety of merchant vessels, have been prevented.

37. ▲ In end 2010, it was becoming apparent that pirates had changed their tactics and were ▲ observed to be employing hijacked merchant ships as mother ships for carrying out attacks. This gave them ▲ unparalleled advantage to extend their reach to more than 1000 nm from the Somali coast. This development was of concern to us since a few reports of piracy, in an area ▲ West of our Lakshadweep Islands were observed in Nov-Dec last year. ▲ In response to this development, we increased our anti piracy deployments in this area. As a result of this sustained deployment, ▲ four pirate mother ships were intercepted by Indian Naval and Coast Guard units in 2011. Consequently, piracy

incidents in this area have reduced substantially. We intend to maintain this posture with a view to assure international shipping of their safety in these waters.

38. ▲ We have recognised that success against piracy requires continuous coordination with other navies, and organisations sometimes on a daily basis, essentially by exchange of information. ▲ I believe this collaborative and consultative approach has been critical in optimising our efforts and achieving a high level of effectiveness.

Other Challenges

39. ▲ Naval forces have been facing a major dilemma about apprehending pirates at sea, due to the inadequacy or ineffective legal mechanisms to prosecute pirates being arrested. It is estimated that 9 out of 10 apprehended pirates benefit from the ▲ 'catch and release' policy followed by most navies till now. Whilst UNCLOS provides universal jurisdiction in prosecuting pirates, strengthening national laws for facilitating this is also required. ▲ Due to capacity and capability constraints of countries like Somalia, or the neighbouring countries as well, prosecution and incarceration of pirates arrested remains a challenge. ▲ In India too we are presently faced with the challenge of prosecuting pirates apprehended by the Indian Navy and held in our country. We ▲ have moved to make new and effective domestic laws, and we hope to have these in place. I am sure similar challenges are being experienced by other countries as well but if countries can share each others experiences in this regard, it will be a positive step in our collective fight against piracy.

40. ▲ In conclusion, I would like to highlight that the time is ripe today for the international maritime community to seek and build a standardised international strategic framework for maritime cooperation. The question that remains is – ▲ which organisation is best suited for the role?

41. ▲ At the global level, clearly the organisation that assumes this responsibility must be international in stature and legitimacy plus appear impartial to all participants. An obvious choice for an organisation to assume such mantle would be the United Nations.

42. ▲ The UN has two specialised agencies which provide a standardisation and regulatory framework to the International Transportation Sectors. The proposed governance for an international maritime security cooperation organisation structure could resemble the framework of International Civil Aviation Organisation (ICAO). Governance could be managed under the mandate of the ▲ International Maritime Organisation (IMO) - Maritime Safety and Security Directorate, specifically tailored to deal with the maritime challenges of today and tomorrow.

43. ▲ At the regional level initiatives such as this forum as well as IONS are indicative of the desire for us come together and establish necessary mechanisms to safeguard our seas and resources, while ensuring economic prosperity and well being of our societies.

▲ Thank You.