# ICAS MARITIME AFFAIRS HANDBILL

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# **Recent News in Global Maritime Affairs**

# [1] Climate Change and Blue Carbon Economy [1]

# Hidden underwater world: huge seagrass bed discovered in Cornwall could help tackle climate change

June 23 - Cornwall Council [United Kingdom]

Leaders in Cornwall, England commissioned a local project to assess how effective seagrass is at growing and storing blue carbon. Conducted by the University of Exeter and environmental researchers Ecospan, the project ended up revealing "one of the biggest seagrass meadows ever found in UK waters" which spans 5 kilometers and covers the equivalent of almost 300 rugby pitches.

# DNV: The World's Clean Hydrogen Supply May Come Up Short

June 15 - The Maritime Executive [Global]

According to a new forecast report by international classification society and certification body DNV, the world has already missed its chance to place hydrogen at the center of a net-zero future. To meet Paris Agreement targets, the report argues, hydrogen would need to account for around 15% of global energy demand by 2050; an achievement that DNV predicts will be highly difficult to meet as current estimates only place it at 5% by 2050.



# <u>China's Massive Hydro Energy Storage Goals May Be Getting Bigger</u> June 14 - Bloomberg [Paywall]

[China]

On June 13, Power Construction Corp. of China Chairman Ding Yanzhang announced plans to start construction on more than 200 pumped hydro stations with a combined capacity of 270 gigawatts to complement renewable power by 2025, an "even-larger-than-expected" project.

### "No Standout Outcome" From IMO's Latest Greenhouse Gas Talks

June 10 - The Maritime Executive [Global]

At the International Maritime Organization's 78th meeting of the Marine Environment Protection Committee (MEPC), members agreed to develop guidelines for evaluating the greenhouse gas emissions for marine fuels throughout the fuel's lifecycle, including fuel production and transport. However, observers and commentators noted that MEPC 78 has produced little binding progress on supporting climate change goals.

# How a battery shortage is hampering the U.S. switch to wind, solar power June 9 - Reuters [Paywall]

[United States]

As labor and transportation issues, rising mineral prices, and competition from the electric vehicle industry jointly lead to battery supply shortages in the United States, battery installation projects that aim to store renewable energy on the electric grid have encountered delays and cancellations, threatening disruption in the transition to green energy.

# South Korea makes big bet on energy transition to hydrogen

June 9 - NikkeiAsia [Paywall] [East Asia]

South Korea's industrial hub of Ulsan is increasing its efforts to transition to a hydrogen-based economy, aiming to replace fossil fuels with hydrogen-fueled vessels in the near future while developing business opportunities. For example, H2Korea, a joint venture between the government and private sector, has been conducting tests on boats with a hydrogen fuel cell power system since June of last year.



## New ETF for World Oceans Day invests in curbing plastic and smarter fishing

June 8 - MarketWatch [Global]

The Newday Ocean Health exchange-traded fund was recently founded to invest in companies that contributed to reducing ocean-bound plastic waste, supporting sustainable fisheries, controlling ocean acidification caused by CO2 emissions and combating ocean pollution. The fund aims to facilitate individual investors to financially support ocean health.

#### EAD's "Blue Carbon Project" selected among 12 UpLink Ocean Top Innovations

June 2 - Emirates News Agency [Middle East]

Environment Agency - Abu Dhabi (EAD)'s Blue Carbon Environmental and Social Responsibility Project has been selected as an innovative solution to harness the potential of blue carbon markets to "support environmental conservation, habitat restoration, and coastal management". The EAD's project, in collaboration with ENGIE and Distant Imagery, aims at planting more than 35,000 mangrove seeds in the Mirfa Lagoon in Abu Dhabi by applying drone planting technology.

# Corporate giants line up to bury emissions in the mud

June 2 - Financial Review [Paywall] [Australia, Global]

Major corporations in Australia are leading a swarm of investments to purchase official carbon credits after an expansion was applied to some related government rules. "There has been a kind of awakening to the quality of carbon credits", explains Deakin University's Peter Macreadie, "even if the market doesn't reward it." Australia is thought to be home to around 12% of the world's blue carbon ecosystems.

# China says a third of electricity will come from renewables by 2025

June 1 - Reuters [Paywall] [China]

In its new "five-year plan", China's National Development and Reform Commission (NDRC) said the state aims to ensure that renewable sources generate about 33% of grid power by 2025; up from 28.8% in 2020. China also pledged to nearly double its wind and solar capacity by 2030 compared to its current rate.



# U.S. says it will cut costs for clean energy projects on public lands

June 1 - Reuters [Paywall] [United States]

The Biden administration announced a new policy that would reduce the cost of constructing wind and solar energy projects on federal land and increase the number of personnel processing these applications. Announced in a statement by the Department of Interior, it is said that the rents and fees for solar and wind projects will fall by about 50% due to this new policy.

# Giant Deep Ocean Turbine Trial Offers Hope of Endless Green Power

May 30 - Bloomberg [Paywall] [Japan]

As part of their ongoing endeavor to study renewable energy, Japan has successfully tested an ocean current system that could provide "a constant, steady form of renewable energy". Instead of relying on the wind or the sun, IHI Corporation's subsea turbine converts deep ocean currents into a steady source of electricity. Weighing in at 330 tons, the prototype visually "resembles an airplane" and is designed to be anchored to the seafloor.

# [2] Maritime Economy and Shipping [2]

<u>Chinese Shipping Companies Dive Amid Rising Recession Fears</u> June 23 - MarketWatch [China, Global]

After the U.S. Federal Reserve released a warning of a potential economic contraction and multiple U.S. central bank officials hinted at the possibility of a recession, several Chinese shipping companies' shares in Hong Kong heavily dropped. A recession would inevitably impact U.S. demand for imported goods. Hardest hit were Pacific Basin Shipping Ltd., COSCO SHIPPING Holdings Co. and Orient Overseas (International) Ltd., which dropped as much as 10%, 4.7% and 7.2%, respectively.

# Melting Arctic ice could reroute international shipping sector: study

June 20 - The Hill [Arctic]

A new study published in the Proceedings of the National Academy of Sciences explains how the Arctic is warming so rapidly that, in as soon as twenty years, new sections of the maritime region will be iceless for months on end. Having longer and clearer access to these sections would offer new trade routes through international waters, which would loosen the control that Russia currently has over trade in the Arctic though its Northern Sea Route.



## Biden signs ocean shipping bill in bid to reduce export backlogs

June 17 - Reuters [Paywall] [United States]

Two days after the U.S. House of Representatives passed the bipartisan Ocean Shipping Reform Act on a 369-42 vote, President Joe Biden signed the legislation into law. Among other adjustments, the new law increases the Federal Maritime Commission's investigatory authority and is intended to "help curb inflation and ease export backlogs."

# <u>Industry giants gain unprecedented insight into the climate impact of their shipping</u> <u>activities</u>

June 15 - Trafigura [Europe, Global]

The Sea Cargo Charter Annual Disclosure Report, which reveals the "climate alignment scores' of 25 of the world's biggest energy, agriculture, mining and commodity trading companies, has been published for the first time. The new report is part of the commitment made under the Sea Cargo Charter, "a global framework for aligning ship chartering activities with society's goals", and represents over 15% of total bulk cargo transported by sea in 2021.

# 'Big step forward': Shippers react to passage of Ocean Shipping Reform Act June 14 - Supply Chain Dive [United States]

Multiple American industry groups expressed their excitement and encouragement to continue pushing after the U.S. House passed the Ocean Shipping Reform Act 369-42 and sent it to the president's desk to be signed into law. For instance, the CEO of the Harbor Trucking Association said "[t]his is a step in the right direction" while the Agriculture Transportation Coalition noted that "this is not the final victory, this is the next step."

# <u>World's first electric foiling workboat range launches as UK maritime reveals £116bn</u> <u>economic impact</u> June 10 - Hellenic Shipping News [United Kingdom, Global]

On June 10, Belfast's Artemis Technologies launched the world's first commercially viable, fully electric foiling workboat range. These efforts are part of the UK's renewed National Shipbuilding Strategy that was announced in March 2022. This launch comes as the UK maritime sector revealed an annual turnover of £116bn and expectations for a full recovery from the pandemic by the end of 2022.



# Marine economy continues to power American prosperity, despite 2020 downturn June 9 - National Oceanic and Atmospheric Administration [United States]

The Department of Commerce's NOAA and Bureau of Economic Analysis have released their joint annual Marine Economy Satellite Account report analyzing the United States' marine economy for 2020. According to this official report, the United States' marine economy contributed to about \$361 billion of the U.S. gross domestic product in 2020; about a 5.8% reduction from 2019. The general economy declined by about 3.4% in that same time period.

Workers want raises. Shippers want robots. The supply chain hinges on reaching a deal June 5 - Los Angeles Times [United States]

The International Longshore and Warehouse Union is still sorting out a new contract with the leaders of maritime shipping as the current contract is set to expire July 1. Workers, who "haven't had a raise in years", are demanding fairer conditions and higher salaries to offset national inflation. The Pacific Maritime Association said workers receive "world-class wages" and showed commitment to advancing automation at ports. This would not be the first time that contract negotiations have run beyond their expiration date, but delays typically lead to major disruptions to port operations.

# ODU to Create School of Supply Chain, Logistics, and Maritime Operations

June 3 - Old Dominion University [United States]

On June 3, Old Dominion University's Board of Visitors approved to establish the School of Supply Chain, Logistics, and Maritime Operations later this year in October. This School builds on the University's legacy of maritime-focused initiatives, bringing together interdisciplinary faculty, and is a reflection on the University's commitment to "serving as a worldwide leader in maritime studies."

# **U.S. Maritime Administration designates four new marine highway projects** June 3 - Transportation Today [United States]

The U.S. Department of Transportation's Maritime Administration (MARAD) has designated four new marine highway projects involving more than \$39.8 million in funding possibilities. Now part of America's Marine Highly Program, two of these new projects are located in Alaska, one is in North Carolina, and the last is in Puerto Rico.



#### Iran, Qatar to expand ports and maritime cooperation

June 1 - Hellenic Shipping News [Middle East]

On May 30, Qatar Ports Management Company's CEO Capt. Abdulla Mohamed Al-Khanji and Iran's Deputy Minister and Managing Director of Ports and Maritime Organization Ali Akbar Safaei met to discuss ways to develop commercial relations and foster ports and maritime collaboration. Projects discussed include having Qatar's private sector invest in Bushehr Port, establishing bunkers and supplies of low sulfur fuel for the fleets, and increasing the berths' depth and channel width.

# [3] Ocean Governance and Maritime Cooperation [3] US, Australia and Allies Form New Pacific Island Partnership

June 24 - Bloomberg [Paywall] [United States, Australia, South Pacific]

The United States, Australia, New Zealand, Japan and the United Kingdom have announced a new initiative to assist Pacific Island countries in addressing climate change and security issues, among other challenges. This "Partners in the Blue Pacific" group is an informal pact that was announced after high-level officials met in Washington, DC on June 23 and 24 for consultations with heads from Pacific nations. Observers from France and the European Union were also present.

# MSC's new fisheries standard unanimously approved by trustees

June 24 - Seafood Source [United Kingdom]

After four years of discussions and input from stakeholders, the United Kingdom's Marine Stewardship Council has concluded its fisheries standard review process, approving a new version of the fisheries standard. Adjustments to the standard include a new approach to how the Council will manage endangered species, new rules on managing unwanted catch, and standards on shark-finning.

# <u>United States and China set to be excluded from Pacific Islands Forum meeting to avoid</u> <u>'distraction'</u> June 23 - ABC News [South Pacific]

Leaders of the Pacific Islands Forum will reportedly exclude the United States, China, and other major nations from its upcoming leaders meeting to be held in Suva, Fiji in mid-July. The Pacific



Island Forum has 21 partners, including the U.S., China, the European Union, Japan, South Korea, Canada, India and the United Kingdom, and there is typically an in-person Dialogue Partners meeting alongside the leaders gathering.

# Japan's Kishida says talks with China key to regional peace amid rising maritime tensions

June 22 - South China Morning Post [Paywall] [East Asia, China, Japan]

At a recent party leaders' debate in Tokyo, Japanese Prime Minister Fumio Kishida noted that discussions with China's leaders are key to regional and international peace and stability. "It is important to maintain stable and constructive relations...Dialogue is important", Kishida emphasized. These statements were made as Beijing increases its military activity around Japan and in the East and South China Seas, enhancing tensions.

# <u>Strengthening Our Maritime Cooperation: Bilateral Maritime Forum 2022 in the</u> <u>Netherlands</u>

June 20 - Kingdom of the Netherlands [Europe]

At the beginning of June, the fourth Bilateral Maritime Forum between Indonesia and the Netherlands was successfully held in The Hague. For three days, the two countries' ministers discussed their ongoing collaboration on maritime issues such as port development and opportunities for partnering in renewable energy projects. They also formally extended their countries' bilateral memorandum of understanding maritime and made several visits to maritime companies and regional ports where they further exchanged ideas, shared insights and discussed partnership opportunities.

# <u>Việt Nam hopes UNCLOS Group of Friends play greater role in responding to emerging</u> <u>challenges</u>

June 16 - EIN News [Asia-Pacific, Global]

On June 14, representatives from nearly 100 member states gathered at the headquarters of Vietnam's Permanent Mission to the UN in New York to celebrate 40 years since the adoption of the United Nations Convention on the Law of the Sea (UNCLOS). At the event, Vietnamese Ambassador Dang Hoang Giang gave a speech on behalf of the group's 12 founding members, thanking all 115 member states for their active support and participation in the name of upholding UNCLOS and international law.



#### MMEA seizes two fishing boats, detains nine foreign crew over illegal fishing

June 15 - The Star [South Asia]

The Malaysian Maritime Enforcement Agency seized two fishing vessels and their nine Indonesian crewmen, who did not produce any valid identification or travel documents, for illegally fishing in Malaysian waters. 700kg of caught fish were also seized. The vessels were discovered during patrols and were located approximately 22 nautical miles off Sungai Besar.

#### Senior US advisor to travel to Lebanon to discuss maritime boundary

June 11 - The Jerusalem Post [Middle East]

On June 11, the U.S. State Department announced Senior Advisor Amos Hochstein's travel plan to Lebanon to discuss sustainable solutions to the energy crisis caused by the maritime aggression between Lebanon and Israel, hoping to mediate tension in the eastern Mediterranean region.

# 15 shippers fined 80 bln won for collusion on freight rates

June 9 - Yonhap News Agency [East Asia, Global]

A group of 14 South Korean shippers and one foreign firm have been collectively fined \$63.6 million (80 billion won) for conspiring to fix freight rates for Japan-South Korea routes 76 times between February 2003 and May 2019. The fine was imposed by South Korea's Fair Trade Commission, who is also ordering an end to a similar practice for South Korea-China routes, though that other decision was not accompanied by fines.

#### German envoy meets Marcos; vows maritime cooperation

June 8 - Inquirer [South Asia]

The German Ambassador to the Philippines Anke Reiffenstuel held a meeting with President-elect Ferdinand Marcos Jr. in Mandaluyong City during which she assured Marcos of Germany's willingness to continue boosting bilateral maritime cooperation amidst Beijing's continued "aggression" in the South China Sea. "We exchanged and we explored our joint interest, our common interest in protecting international rules-based order and the rule of law that needs to be applied also in the maritime sector," said Reiffenstuel.



# Is This Legal? Shipping Struggling with Lack of Sanctions Clarity

June 6 - *qCaptain* [Europe, Middle East]

Sanctions that were imposed on Moscow following its invasion of Ukraine are continuing to confuse and trouble shipowners who have to contend with new legal rules and tough measures. Meanwhile, Russia is turning to Indian and Chinese customers instead. Leaders in the shipping industry are speaking out, believing that "[s]anctions have never worked" and '[i]nstead of penalizing Russia, we're penalizing ourselves."

### Lebanon to invite US to mediate Israel maritime border talks

June 6 – Al Jazeera [United States, Middle East]

Lebanese and Israeli officials have agreed to invite the United States' senior energy adviser Amos Hochstein to Beirut to mediate a decades-long maritime dispute. A previous round of talks to resolve this issue was attempted in October 2020 but quickly stalled. Tension between Lebanon and Israel, who are enemies and do not currently have diplomatic relations, have continued to rise recently.

#### <u>Canada alarmed as Chinese fighter pilots 'buzz' Canadian planes over international</u> waters

June 1 - Global News [North America, China]

Multiple sources have reported that Chinese jets are repeatedly "buzzing" a Canadian surveillance plane, repeatedly flying as close to 20-100 feet from the plane at high speeds close enough to make eye contact and show hand gestures. The Canadian plane in question was conducting a United Nations mission over international waters in the Asia-Pacific.

[4] Maritime Security and Defense [4] <u>China Delivers Advanced Frigate to Pakistan Navy</u>

June 24 - The Defense Post [China, Middle East]

Pakistan has successfully received their second of four Chinese-made multi-rule Type 054A/P frigates from China, which were purchased to help Pakistan handle emerging challenges to its regional maritime peace and security. This frigate is reportedly equipped with "cutting-edge weapons and sensors" and the "latest combat management and electronic warfare systems".



Simultaneously, there have been reports that Pakistan is dealing with defective mechanical issues with some Chinese-developed warships.

Defense minister, U.S. Pacific Fleet commander reaffirm firm defense posture

June 21 - Yonhap News Agency [South Korea, United States, East Asia]

South Korea's Defense Minister Lee Jong-sup met with U.S. Pacific Fleet Commander Admiral Samuel Paparo in Seoul to reaffirm the U.S. and South Korea's commitment to a "firm combined defense posture against North Korean threats". Minister Lee noted that the current security situation is "graver than ever" and the U.S. Pacific Fleet is vital in countering this situation. This is Commander Paparo's third visit to Seoul since assuming his current post in May 2021.

# Chinese, Russian Warships Active Near Japan Ahead of RIMPAC 2022

June 20 - USNI News [East Asia, China, Russia]

Chinese and Russian warships were spotted in the East China Sea and the Philippine Sea near Japan, as reported by both the Russian Navy and the Japan Defense Ministry. Meanwhile, Japan's Maritime Self Defense Force drilled with the US Navy as ships from five Indo-Pacific nations sailed out of Guam headed to Hawaii for the Rim of the Pacific 2022 (RIMPAC2022) naval exercise that is set to begin at the end of June.

# China launches third aircraft carrier in military advance

June 17 - The Guardian [China, Indo-Pacific]

China has officially launched its third aircraft carrier—the first that was "wholly designed and built by China"—out of Shanghai. Named *Fujian*, this carrier is more technically advanced than China's other aircraft carriers commissioned in 2012 and 2019, but will reportedly be "years" before it reaches operational capacity.

# U.S. rebuffs China by calling Taiwan Strait an international waterway

June 14 - Reuters [Paywall] [China, East Asia, United States]

On June 14, U.S. State Department Spokesman Ned Price supported Taiwan's assertion that the strait separating the island from China is an international waterway, rebuffing Beijing's "aggressive rhetoric and coercive activity" to exercise sovereignty. Taiwan Premier Su Tseng-chang followed up by stating the strait was by "no means China's inland sea". China's



Taiwan Affairs Office said the government in Taipei was "cooperating with external forces" in response.

# <u>United States-Japan-Australia Trilateral Defense Ministers Meeting (TDMM 2022 Joint Vision Statement)</u>

June 13 - U.S. Indo-Pacific Command [United States, Indo-Pacific]

On the sidelines of the 2022 Shangri-La Dialogue in Singapore, Australia's Deputy Prime Minister and Minister for Defence Richard Marles, Japan's Minister of Defense Kishi Nobuo, and the United States' Secretary of Defense Lloyd Austin convened a Trilateral Defense Ministerial Meeting on June 11. Affirming their trilateral strategic alignment, the three leaders also released a joint vision statement that involves enhanced partnerships, joint exercises and seamless coordination.

# Shangri-La Dialogue Concludes Under Shadow of Ukraine, US-China Tensions

June 13 - The Diplomat [Paywall] [Indo-Pacific, Global]

From June 10-12, defense ministers of mostly Asia-Pacific states convened at the annual IISS Shangri-La Dialogue with many discussions centered around the growing competition between China and the United States. While U.S. Defense Secretary Lloyd Austin criticized China's series of coercive and aggressive actions in the East and South China seas, Chinese Defense Minister Wei Fenghe denounced efforts to condemn China or interfere in its internal affairs, claiming that improvement of the bilateral relationship depends on Washington.

Exclusive: Indonesian navy officers ask for \$375,000 to release tanker

June 9 - Reuters [Paywall] [South Asia]

The Indonesian navy has detained a fuel tanker for illegally anchoring in Indonesian waters off Singapore and is asking for \$375,000 for its release. This detainment is the latest in a string of a dozen similar detentions made last year in this same area, which resulted in shipowners making unofficial payments of about \$300,000 for each of their vessels to be released. The Singapore Strait is one of the world's busiest shipping lanes.



#### Cambodia, China Revamp Naval Base, Stoking US fears

June 8 - Voice of America [China, South Asia, United States]

On June 8, Cambodian Defense Minister Tea Banh and Chinese Ambassador Wang Wentian saw work commence on the new Beijing-funded facilities at Cambodia's Ream base. The work includes a boat maintenance workshop, two piers, a dry dock, slipway, and sand dredging for bigger ships to dock. U.S. officials have expressed concerns that these were being built for the "exclusive" use of the Chinese navy; concerns that were denied by both countries.

<u>China Denies Harassing Canadian, Australian Patrol Aircraft in the Western Pacific</u> June 7 - USNI News [South Pacific, China]

On June 6, in response to the accusations from the Canadian Armed Forces and the Australian Defence Minister Richard Marles, China's Ministry of National Defense Spokesperson Senior Colonel Wu Qian denied that People's Liberation Army forces harassed Australian and Canadian patrol aircraft in the Western Pacific. Colonel Wu claimed that China's security was threatened in both cases.

# <u>World's largest naval exercises to include all 4 Quad nations and 5 South China Sea</u> <u>countries</u>

June 1 - CNN [United States, Indo-Pacific]

This year's U.S.-led Rim of the Pacific (RIMPAC) exercise, to be held from June 29 to August 4, will involve military units from 26 countries including the other three Quad nations (India, Japan, and Australia) and five South China Sea nations. As reported by the US Navy's 3rd Fleet, the multi-day exercises, based in Honolulu, Hawaii and San Diego, California, is expected to employ 38 surface ships, four submarines, 170 aircraft, and 25,000 personnel.

# Japan's Foreign Ministry debuts China strategy group

May 31 - Nikkei Asia [Paywall] [East Asia]

Following Russia's invasion of Ukraine, Japan's Foreign Ministry created an "internal strategy group" in April that has the role of keeping track of China's activities. The group, the First China and Mongolia Division within the Foreign Ministry's Asian and Oceanian Affairs Bureau, collects and analyzes "political, economic and diplomatic intelligence related to China" to inform government leaders.



# Peer-Reviewed Research on Maritime Issues

- Government Release: U.S. Congressional Research Service <u>"IN FOCUS: The Nordic Countries</u> and U.S. Relations" [Updated June 10, 2022]
- Government Release: European Commission <u>"Questions and Answers on International Ocean</u> <u>Governance</u>" [June 24]
- Government Release: European Commission <u>"World Oceans Day: Joint Statement by the High Representative/Vice-President Josep Borrell and Commissioner for Environment, Oceans and Fisheries Virginijus Sinkevičius</u>" [June 8]
- Government Release: U.S. Department of State <u>"The United States, Colombia, Costa Rica, Ecuador, and Panama Sign a Memorandum of Understanding in Support of the Eastern Tropical Pacific Marine Corridor (CMAR)</u> [June 7]
- Report: <u>"Sovereignty Vs. Sovereign Rights: De-escalating Tensions in the South China Sea</u>" [Observer Research Foundation - June 24]
- Report: <u>"Dynamics of Assertiveness in the South China Sea: China, the Philippines, and Vietnam, 1970–2015</u>" [The National Bureau of Asian Research NBR Special Report no. 99, May 17]
- Opinion: <u>"Rights and wrongs of US-China dispute over the Taiwan Strait</u>" [South China Morning Post - June 20] [Paywall]
- Opinion: <u>"The Quad, China, And Maritime Domain Awareness In The Indo-Pacific</u>" [Australian Institute of International Affairs - June 20]
- Opinion: <u>"The significance of China-ROK Maritime Security Cooperation</u>" [China Daily June 17]
- Opinion: <u>"Blue is the new green: How business can protect the ocean"</u> [Boston Globe June 13]
  [Paywall]
- Opinion: <u>"Catapulting China's Carrier Capabilities</u>" [International Institute for Strategic Studies
  June 10]
- Opinion: <u>"Sweden and Finland Will Help NATO Counter Russia in the Arctic</u>" [Wall Street Journal
  June 9] [Paywall]
- Opinion: <u>"It's time to act together to protect oceans</u>" [Thompson Reuters Foundation News -June 8] [Paywall]
- Opinion: <u>"High Seas Treaty Could Strengthen Maritime Protections in South Africa"</u> [The PEW Charitable Trusts - June 8]
- ➤ Opinion: <u>"Time to Slow Cook China's South China Sea Frog?"</u> [The Heritage Foundation June 3]
- > Opinion: <u>"The Undersea Trove for Electric Vehicles</u>" [Wall Street Journal June 2] [Paywall]
- Opinion: <u>"Global security initiatives are urgently needed in the field of oceans</u>" [Global Times -June 1]
- Analysis: <u>"The Great Blue Wall Initiative: At the nexus of climate change, nature conservation, and the blue economy</u>" [The Brooking Institution June 23]



- Analysis: <u>"After decades of loss, the world's largest mangrove forests are set for a comeback"</u> [The Conversation - June 21]
- Analysis: <u>"China's Third Aircraft Carrier Is Aimed at a Post-U.S. Asia</u>" [Foreign Policy June 21] [Paywall]
- Analysis: <u>"Study: Climate Change Will Affect Wave-Driven Coastal Erosion</u>" [The Maritime Executive June 19]
- > Analysis: <u>"The Future of ASEAN Maritime Security Cooperation"</u> [EastAsia Forum June 17]
- > Analysis: <u>"Hydrogen in Maritime: Opportunities and Challenges"</u> [WSP Global June 15]
- Analysis: <u>"The Coast Guard: "Always Ready," Except for Change</u> [Center for a New American Security - June 7]
- Analysis: <u>"Why China Is Miles Ahead in a Pacific Race for Influence</u>" [The New York Times May 31] [Paywall]
- Analysis: <u>"Blue carbon: The potential of coastal and oceanic climate action"</u> [McKinsey Sustainability - May 13]

# Events on the Maritime Domain

- On May 31, the Wilson Center Asia Program held a virtual event on <u>The Indo-Pacific Economic</u> <u>Framework and What It Means for the United States</u>.
- On May 31, the Observer Research Foundation held a virtual feature event on <u>Blue Talks:</u> <u>Conservation and Development Imperatives for Blue Economy</u>.
- On June 7, the Center for Security & International Studies held a virtual chat with Mike Wirth, chairman of the board at Chevron Corp., on <u>Oil and Gas Majors in the Energy Transition</u>.
- On June 15, the Wilson Center, in partnership with the Government of Greenland, held a webcast discussion on <u>Trade, Minerals, and the Green Transition in Greenland: A</u> <u>Conversation with Prime Minister Múte B. Egede</u>.
- On June 21, the Wilson Center Environmental Change and Security Program held a virtual discussion on <u>Seabed Mining, International Law, and the United States</u>.
- On June 23, the Center for Security & International Studies Japan Chair and Economics Program, alongside the Japan External Trade Organization, will hold a webcast discussion on <u>The Future of Economic Order in the Asia-Pacific Region</u>.
- On June 27, the Yusof Ishak Institute held a webinar on <u>Mare Clausum with Chinese</u> <u>Characteristics: China's Lawfare in the South China Sea</u>.
- On July 27, the World Maritime University held a side event at the UN Ocean Conference 2022 on <u>Empowering Women for the UN Decade of Ocean Science for Sustainable Development</u>.
- From June 27-July 1, the United Nations Development Programme will be holding its second <u>UN Ocean Conference</u> in Lisbon, Portugal and online, which will focus on "Scaling up Ocean Action Based on Science and Innovation for the Implementation of Goal 14". Information on conference registration and event topics is available online.



# Handbill Spotlight

#### Association of Southeast Asian Nations (ASEAN)

#### Issue Background<sup>1</sup>

The Association of Southeast Asian Nations (ASEAN) is a regional inter- governmental organization currently made up of 10 member states across Southeast Asia: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar (Burma), the Philippines, Singapore, Thailand and Vietnam. ASEAN was <u>formed</u> in 1967—in the midst of the Cold War—after the foreign ministers of Indonesia, Malaysia, the Philippines, Singapore and Thailand signed the <u>ASEAN</u> <u>Declaration</u> in Bangkok, Thailand. Among other aspects, this Declaration listed the seven specific aims and purposes of ASEAN, which were mostly focused on promoting



economic growth, social progress, cultural development, and peace and stability in the region. Notably, Thailand and the Philippines were already aligned with the United States in a Cold War in a Cold War context via the since-dissolved Southeast Asia Treaty Organization (<u>SEATO</u>). Initially, the economic and social cooperation pursued by ASEAN members was also unofficially motivated by a <u>desire to contain communism</u> through liberal models of development.

Since the end of the Cold War, ASEAN has incorporated nations into its ranks that come from a wider range of ideologies and regime types to form the 10-state organization that it is today. This ideological diversity, combined with ASEAN's unique standard for consensus and non-coercion as core values of the 'ASEAN Way' has led the bloc to develop a reputation as a passive and indecisive intergovernmental organization—at least relative to its far more centralized counterparts like the European Union. However, ASEAN's decision not to invite a representative from Myanmar to its summits following the February 2021 coup in Naypyidaw suggest that these principles are evolving away from complete non-interference.

Nevertheless, ASEAN has mostly sidestepped the political sphere, holding its greatest successes in the realm of regional economic integration. The bloc was the driving force behind negotiating two of the largest trade blocs in history, the Asia-Pacific Economic Cooperation (APEC) forum in the 1980s

<sup>&</sup>lt;sup>1</sup> Image Source: ASEAN Flag Map, <u>Wikipedia Commons, CC4.0, User "Стыдуьвз"</u>



and the Regional Comprehensive Economic Partnership (RCEP) in the 2010s. The latter free trade agreement even covers 45% of the world's population and almost a third of global GDP.

#### **Recent Events**

From May 12-13, 2022, President Biden hosted the first in-person <u>U.S.-ASEAN Special Summit</u> since the start of the COVID-19 pandemic. With this meeting in Washington, D.C., the U.S. hoped to solidify a commitment made last November to upgrade U.S.-ASEAN ties from a strategic partnership to the level of "comprehensive strategic partnership." There is a lot of ground to cover to bring about this transition, though, as former President Donald Trump only attended one ASEAN summit and left the position of ambassador to ASEAN vacant. On the first day of the summit, Biden unveiled a \$150 million aid package to ASEAN countries targeting infrastructure, security, pandemic preparedness, and clean energy. Biden also announced the nomination of Yohannes Abraham, the chief of staff of the National Security Council, to be U.S. Ambassador to ASEAN.

The final day of the summit in Washington yielded a 28-point joint vision statement. Notably, the statement reiterated the U.S. commitment to "ASEAN centrality" as a key to regional stability. ASEAN and the U.S. affirmed the compatibility of the 'ASEAN Outlook on the Indo-Pacific' with the 'Indo-Pacific Strategy' of the United States. The two sides also proclaimed the need to maintain regional maritime peace and stability through adhering to the principles of the 1982 United Nations Convention on the Law of the Sea (UNCLOS). The statement referred to the South China Sea in particular as "a sea of peace, stability, and prosperity" where nations should pursue "the peaceful resolution of disputes in accordance with universally recognized principles of international law." These points in the statement were bolstered by an announcement that a U.S. Coast Guard vessel will be permanently deployed in Southeast Asia "for security cooperation and to operate as a training platform."

After the Special Summit, representatives from ASEAN countries were also present at the launch of the Indo-Pacific Economic Framework (IPEF) in Tokyo, Japan on May 23 and the IISS Shangri-La Dialogue in Singapore from June 10-12. With economic development as a key concern for ASEAN, U.S. overtures to the bloc led seven of its ten members to join the U.S. as initial IPEF members. It remains to be seen how ASEAN member states will influence the negotiation of IPEF's various pillars, but the new initiative features overlaps greatly with (infrastructure, clean energy, trade facilitation) with extant U.S. efforts in the region. On the security front, ASEAN's participation in the Shangri-La Dialogue was overshadowed by some of the 'heavier hitters' in the region like the U.S. and China. However, <u>comments made by ASEAN leaders</u> there suggest that there is pressure within the bloc to take a stronger collective stance on the South China Sea issue. After the Philippines' Secretary of National Defense Delfin Lorenzana took aim at China's maritime claims during a panel discussion, Malaysian Defense Minister Hishammuddin Hussein called for ASEAN to stick together on the matter, saying "our bloc of 10 countries must stand united."

#### **Keep In Mind**

ASEAN will continue to be an important factor in Southeast Asian maritime affairs. The U.S. and China are both deeply engaged bilaterally with ASEAN member states economically, and there is



international consensus on the need for 'ASEAN centrality' in Southeast Asia as a means to avoid 'salami-slicing' in the region by superpowers. While the 'ASEAN way' has led the bloc to traditionally avoid getting embroiled in the political disputes of its member-states, increasing geopolitical polarization is causing splits in the bloc and recalibrations of several of its fundamental principles. Two key areas to watch out for in the coming months include how ASEAN members will collectively approach their disputes with China in the South China Sea, and how U.S. and Chinese regional initiatives in turn could widen existing cleavages in the bloc.

The position of ASEAN, a primarily economic and social bloc, towards the South China Sea has traditionally been strategically ambiguous. Several ASEAN states—Brunei, Indonesia, Malaysia, the Philippines, and Vietnam—have maritime claims at odds with China's. Nevertheless, ASEAN has historically avoided staunch opposition to the Chinese position to preserve diplomacy as an avenue for dispute resolution. As Defense Minister Hussein put it at the Shangri-La Dialogue, ASEAN member states are "more than aware of what is at stake, which is why we have consistently advocated that diplomacy takes precedence in approaching this dispute." In this spirit, an ASEAN-China 'Code of Conduct' (CoC) for the South China Sea has been sporadically in development since 2002, but no substantive progress has been made on it since preliminary guidelines were agreed to in 2012. With ASEAN-China South China Sea CoC negotiations stalled under Cambodia's chairmanship this year, Indonesia's liaisons within ASEAN over the past year are an effort to construct an alternative, comparatively uncompromising 'coalition of the willing' on maritime security with Brunei, Singapore, Malaysia, Vietnam, and the Philippines.

These divisions within ASEAN may get even larger over the year as a result of U.S. and Chinese regional *démarches*. On the security front, Cambodia began expanding its Ream Naval Base on China's dime earlier this month. As one of China's strongest partners in the region, Cambodia's chairmanship of ASEAN in 2022 has been a thorn in the side of the bloc's more China-skeptical members. While China and Cambodia both <u>deny</u> that the joint project will harbor a Chinese naval presence, U.S. and Australian officials have stated that the expanded portion of the base is intended for <u>"exclusive" use</u> by the Chinese PLAN. A Chinese installation there would be the first of its kind in the Gulf of Thailand and would invariably expand China's ability to project power in the South China Sea.

If Cambodia's recent actions are pulling one side of ASEAN more towards China, the concurrent decisions of other members to sign on to IPEF are pulling the bloc in the direction of the U.S. While IPEF is a fundamentally economic arrangement, as a U.S.-led initiative, it is bound to propagate U.S. economic interests throughout the region. In particular, its 'supply chain resilience' pillar may seek to reduce China's footprint in Southeast Asian markets and reorient trans-Pacific shipping patterns. With the majority of ASEAN members involved in IPEF from the ground floor, this initiative could further deepen divisions in ASEAN on how best to engage with the U.S. without provoking China.

This issue's Spotlight was written by Alec Caruana, ICAS Research Assistant Intern



# ICAS Maritime Affairs Program: New and Upcoming

#### - ICAS BCCC Commentary -

Marine Protected Areas in the High Seas: A Multilateral Resolution and Unilateral Quandary for Blue Carbon Conservation By Matt Geraci June 21, 2022

"Blue Carbon' processes naturally sequester atmospheric carbon dioxide into sediments and conserve marine ecosystems over the long run when it remains undisturbed. These ecosystems typically include coral reefs, mangroves, sea grasses, salt marshes, kelp forests, and more. According to the U.S. National Oceanic and Atmospheric Administration, coastal blue carbon ecosystems, including seagrasses, salt marshes, and mangroves, 'store three-to-five times more carbon per unit area than tropical forests, and [sequester] carbon at a rate ten times greater than tropical forests,' making them a crucial component of a country's carbon emissions stock. Marine protected areas (MPA) are necessary for conserving blue carbon resources in coastal and deep-sea ecosystems. However, history has shown that if geopolitics is the driving force behind their declaration, sovereignty disputes will only intensify. A new, enforceable, and comprehensive international treaty covering the creation of MPAs on the high seas must be drafted and ratified for blue carbon resources to be adequately protected globally."

This commentary was originally published on China-US Focus on June 21, 2022.

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