

# **MAJOR POWERS AND LITTORAL STATES STRATEGIC INTERESTS IN THE STRAITS OF MALACCA**

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## **ABSTRACT**

This paper presents an overview of the strategic and security issues surrounding the Straits of Malacca. It begins by introducing the strategic nature of the Straits of Malacca and piracy threat in the busy sea lane. Subsequently this paper discusses the issues and interests of the major powers in the Straits of Malacca historically. Furthermore this paper covers the contemporary Asia Pacific's powers such as United States, India, Japan and China. Then, the position of the three littoral states of Malaysia, Indonesia and Singapore towards the issue of piracy in the Straits of Malacca is touched upon before analysing the littoral states' position on external powers' involvement in the Straits of Malacca. This paper also briefly discusses the individual littoral states' interests in the vital sea lane.

**Keywords: Straits of Malacca, littoral states, major powers, strategic interests**

## INTRODUCTION: THE STRATEGIC NATURE OF THE STRAITS OF MALACCA

The major sea lanes in Southeast Asia are comprised of a few key straits such as the Malacca and Singapore Straits, the Sunda Straits and the Lombok Straits. Of these regional chokepoints, the Straits of Malacca has been of profound significance. Indeed, this long and shallow channel has acted as both gateway and bottleneck, at least since the earliest recorded history. It has been the scene of almost unending struggles for control among competing political and commercial interests, both local and distant, and yet has provided a lifeline that has brought prosperity and development to states and peoples dependent on imports or exports of goods exchanged with remotely located partners.<sup>1</sup> At different times in its history, the Straits of Malacca has been controlled by the Dutch, Portuguese, and British, and has been used to link Africa and India to China, Japan, and Southeast Asia.<sup>2</sup> Controlling the precious commodities of the region which had to pass the Straits was the prize. The spices of the Mollucas, the jungle products of the interior, the precious metals of the hinterlands were to bring explorers, traders, merchants, colonists and eventually, colonisation to the region.<sup>3</sup>

Today, the Straits of Malacca is the world's second busiest commercial shipping lane, surpassed only by the Dover Strait which runs between Britain and France.<sup>4</sup> In essence, the Straits of Malacca derive their enduring importance from the simple factor of its strategic location. An appreciation of this factor can be gained from a glance at the geographic patterns of the straits particularly the arrangement of continental, peninsular and archipelagic land masses and the straits and seas around them.<sup>5</sup> Unquestionably, the Straits of Malacca remains a key point on the shortest sea route from the ports of India and the Persian Gulf and from the entrepots of Europe via the Suez Canal-Red Sea route to port of mainland East Asia.<sup>6</sup>

For centuries, the Straits of Malacca, a narrow waterway has been a major conduit for long distance trade between Asia and the West. The Straits is 520 miles long, and provide the main corridor between the Indian Ocean and the South China Sea. Because the Straits is relatively shallow, being only 21.8 metres deep at some points, the maximum draught recommended by the IMO for passing ships is 19.8 metres. The navigable channel at its narrowest point is only 1.5 miles wide.<sup>7</sup> This creates a natural bottleneck, with the potential for a collision, grounding or oil spill. The disruption of

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<sup>1</sup> D.B. Freeman, *The Straits of Malacca: gateway or gauntlet?*, McGill-Queen's University Press, Montreal, 2003, p. 5.

<sup>2</sup> D. Phaovisaid, Where there's sugar, the ants come: piracy in the Straits of Malacca, *International Affairs Review*, Vol. 14, No. 2, 2005, p. 2.

<sup>3</sup> M. Cleary, K.C. Goh & G.K. Chuan, *Environment and development in the Straits of Malacca*, Routledge, London, p. 1.

<sup>4</sup> D. Phaovisaid, Where there's sugar, the ants come: piracy in the Straits of Malacca, p. 2.

<sup>5</sup> D.B. Freeman, *The Straits of Malacca: gateway or gauntlet?*, p. 3.

<sup>6</sup> *Ibid.*, p. 6.

<sup>7</sup> J. Ho, *The security of regional sea lanes*, Institute of Defence and Strategic Studies, Singapore, 2005, p. 2.

shipping or any threat to close or restrict access through the Straits of Malacca would have a significant impact on world oil prices. If necessary, shippers could avoid the Straits but only at some additional cost, time and disruption.<sup>8</sup> In terms of total volume, in 2008 for instance, at least 76,381 ships passed through the Straits of Malacca, ranging from Very Large Crude Carrier (VLCC) to fishing vessels.<sup>9</sup> Moreover in terms of value, the total tonnages carried by ships through the Straits of Malacca every year amount to 525 million metric tonnes worth a total of US\$390 billion.<sup>10</sup> Given the statistics, the waterway is extremely important to the international users as well as to the littoral states. The Straits of Malacca is the most used and the most well-known of the Southeast Asian waters. Huge tonnages of ships continue to pass through the Straits, drawing on both international markets and on local and regional feeder ports.<sup>11</sup>

The Straits of Malacca is shared between Indonesia, Malaysia and Singapore and serves as a major international navigation route linking the Indian Ocean with the South China Sea. Merchant ships from Japan and other East Asian states en route to South Asia, the Middle East or Europe also pass through the Straits of Malacca. The Straits of Malacca is the shortest and preferred route for ships less than 250,000 tons dwt (dead weight tonnage) transiting the Indian Ocean and the South China Sea when compared to the next best alternatives, the Lombok, Makassar and Sunda Straits.<sup>12</sup> On a global basis, some 72 percent of east-bound loaded tankers transit the Straits of Malacca. The availability of excellent bunker fuel, communication and repair facilities, particularly in Singapore and Malaysia makes it doubly attractive for ships to use the Straits of Malacca route.<sup>13</sup> By using the Straits instead of the other alternative routes, super-large tankers ferrying crude oil from Middle East to the Far East can save up to 1,600 kilometre or roughly three days sailing time.<sup>14</sup>

According to the US Energy Information Administration (EIA), currently 11 million barrels of oil per day (b/d) passes through the Straits of Malacca, but this would be increased as oil consumption in developing Asian nations rises by an estimated average of three percent per annum until 2025. China alone will account for one-third of that increase, which will see demand growth doubling to nearly 30 million b/d in 2025 from 14.5 million b/d in 2000.<sup>15</sup> Moreover, according to the EIA, much of the additional

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<sup>8</sup> C.W. Pumphrey (ed.), *The rise of China in Asia: security implications*, Diane Publishing, 2002, p. 246.

<sup>9</sup> Type and total of vessel report to Klang vts from January 1999 to December 2007, [http://www.marine.gov.my/service/statistik/BKP/total\\_report\\_07.pdf](http://www.marine.gov.my/service/statistik/BKP/total_report_07.pdf) (25 March 2008)

<sup>10</sup> S. Bateman, C.Z. Raymond & J. Ho, *Safety and security in the Malacca and Singapore Straits: an agenda for action*, Institute of Defence and Strategic Studies, Singapore, 2006, p. 18.

<sup>11</sup> M. Cleary, K.C. Goh & G.K. Chuan, *Environment and development in the Straits of Malacca*, p. 6.

<sup>12</sup> Y. Vertzberger, The Malacca/Singapore Straits, *Asian Survey*, Vol. 22, No. 7, 1982, p. 610.

<sup>13</sup> Hamzah Ahmad, *The Straits of Malacca international cooperation in trade, funding and navigational safety*, Pelanduk Publications, Kuala Lumpur and Institute of Maritime Malaysia, 1992, p.8.

<sup>14</sup> Researcher's Interview with Ahmad Ghazali Abu Hassan on 19 March 2008.

<sup>15</sup> Country analysis briefs: South China Sea, [www.eia.doe.gov/emeu/cabs/schina.html](http://www.eia.doe.gov/emeu/cabs/schina.html). (10 March 2008).

supply will be imported from the Middle East and Africa and most of this volume would need to pass through the strategic Straits of Malacca.<sup>16</sup>

The Straits of Malacca is among the most strategically important international waterways of the world. It is a chokepoint in naval terms, the control of which is desirable for strategic mobility.<sup>17</sup> It is also a very congested waterway with some 200 ships plying the Straits daily. For every ship that passes through however, there is a risk not only of an accident that might include crude oil, toxic chemicals or radioactive substances but also of a piracy attack. The threat of an ecological disaster caused by such an attack cannot be ignored. Any disruption to traffic or any increase in dangers to the crew of ship using the Straits particularly due to pirate attacks may force the vessels which pass through the Straits to use the longer safer route. The fight against piracy is thus, part of the efforts to enhance the overall safety of passage through the vital Straits.

Traffic in the Straits of Malacca has rapidly augmented in the last few years as a result of increased crude shipments to China. The free and save navigation of commercial vessels in Southeast Asia is thus, essential for international trade. The surge in piracy is one of the dark sides of globalisation. The increase in international trade over the past decade means more opportunities for pirates to attack merchant ships. Director of the Royal Malaysian Police said that "where there's sugar, the ants come".<sup>18</sup> The Straits of Malacca is the world's second busiest commercial shipping lane and the lifeline of the economy of many countries that depend on the safe and timely shipment of oil and industrial goods to support economic growth. However, maritime piracy continues to be a paramount threat in the Straits. Therefore, the necessary efforts must be undertaken to tackle the issue either among the littoral states or between the littoral states and the user states.

## **PIRACY THREAT IN THE STRAITS OF MALACCA**

Piracy is a historical and cultural phenomenon that has continued in this modern age to affect maritime traffic in some of the world's busiest shipping lanes. Many of the piracy incidents occur along the coasts of South Africa, Nigeria, Bangladesh, India, Ecuador, and in the Red Sea. According to the report by the IMB-PRC, the number of piracy attacks on shipping throughout the world in 2006 was 239. This represents a significant drop in the number of attacks from the previous year of 276. The number of incidents of piracy increased in 2007 when 263 incidents were reported. However, based on the report, there were only seven cases reported to have occurred in the Straits of Malacca.<sup>19</sup> According to the IMB-PRC, the piracy attacks are divided based on location for example Indonesia, Malaysia, Singapore and the Straits of Malacca. The principle purpose of this is to increase awareness of the problem, impress upon the Governmental representatives

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<sup>16</sup> Ibid.

<sup>17</sup> Hamzah Ahmad, The Straits of Malacca: a profile, in, Hamzah Ahmad (ed.), *The Straits of Malacca: international cooperation in trade, funding and navigational safety*, p. 10.

<sup>18</sup> D. Phaovisaid, Where there's sugar, the ants come: piracy in the Straits of Malacca, p. 2.

<sup>19</sup> ICC-IMB *Piracy and armed robbery against ships report, annual report 1 January – 31 December 2007*, p. 12.

concerned the need for action and more importantly, motivate political will to act at national and regional level for preventing and suppressing piracy.<sup>20</sup> According to the report provided by IMB, the nature of the attacks indicates that the pirates boarding the vessels are better armed and they have shown no hesitation in assaulting and injuring the crew. However, the IMB does not provide the nature of attack by location.

Most of the concerns regarding piracy in Southeast Asia have in recent years focused on the southern parts of the Straits of Malacca. There appears to be two main reasons for this. First, it is clear that the Straits of Malacca is of major strategic importance as a bottleneck for international maritime trade. An attack blocking the Straits, would force vessels to take the detour around the west coast of Sumatra, something which would have large economic consequences not least for Europe, Japan and the US.<sup>21</sup> Second, the threat of "petty piracy" which for the last two decade has been a relatively minor security concern for commercial vessels in the southern parts of the Straits seems to indicate a greater risk for terror attacks against transiting commercial vessels.<sup>22</sup> The assumption seems to be that the pirates who frequently attack commercial vessels for the purpose of robbing them might get the idea of perpetrating a terrorist attack.

Piracy in the Straits of Malacca has already led to a high economic cost reflected by the loss of merchandise and ships and the increased insurance premiums added to a number of cargoes that pass through the Straits. Moreover, an accident caused by a piracy incident or a terrorist attack on an oil supertanker crossing the Straits could cause an environmental disaster of massive proportions.<sup>23</sup>

## **MAJOR POWERS INVOLVEMENT IN THE STRAITS OF MALACCA**

The strategic nature of the Straits of Malacca as the main sea lane of communication to East Asia has led many countries wanting to control the Straits including the US, China, Japan and India. Furthermore, the major regional sea powers are competing for Asian maritime dominance. The US as a global sea power, sees India and Japan as key partners in balancing the rise of China and it also busy fostering international maritime cooperation to build what two senior US Naval officers have referred to as "The 1000-Ship Global Maritime Network" top counter terrorism.<sup>24</sup> Indeed, the pursuance of strategies to gain control has made the Straits of Malacca a venue of a silent struggle between rising powers. Because the Straits of Malacca is so important to the transportation of oil and raw material, the free and safe navigation of commercial vessels

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<sup>20</sup> Researcher's interview with the International Maritime Bureau's Assistant Director, Noel Choong on 05 March 2008.

<sup>21</sup> S.E. Amirell, Political piracy and maritime terrorism: a comparison between the Straits of Malacca and the Southern Philippines, in, G.G. Ong-Webb (ed.), *Piracy and maritime terrorism and securing the Malacca Straits*, Institute of Southeast Asian Studies, Singapore, 2006, p. 57.

<sup>22</sup> *Ibid.*, p. 57.

<sup>23</sup> R. Emmers, *Non-traditional security in the Asia Pacific: the dynamic of securitization*, p. 33.

<sup>24</sup> The "1000 ship navy" global maritime partnerships, <http://www.jhuapl.edu/maritimestrategy/library/1000shipNov06.pdf> (18 March 2008)

in the sea lane becomes an important issue to the littoral states as well as the user states. There are many countries strongly desire to have full control on the Straits of Malacca or at least possess a 'commanding power' on the Straits due to various reasons.<sup>25</sup> Furthermore they have strongly shown their yearning on the Straits.

### United States

The Straits of Malacca is considered as one of the world's most important maritime chokepoints. Hence, it has become a centrepiece in the battle to establish a new ocean regime that finally culminated in the 1982 UNCLOS.<sup>26</sup> In 1971, there was a meeting among the foreign ministers of Indonesia, Malaysia and Singapore on the security of the Straits of Malacca.<sup>27</sup> The meeting resulted in a full agreement between Indonesia and Malaysia and a partial agreement between these two countries. The government of Indonesia and Malaysia declared jointly that the Straits of Malacca was not an international waterway, although they fully recognised its use for international shipping. Singapore however, expressed reservation but took note of the position of the other two countries. On the basis talks, it was declared on November 19, 1971, that the safety of navigation through the Straits of Malacca was the responsibility of the three littoral states and required the cooperation of all three nations. It was also stated that safety of navigation and internationalization of the Straits would be considered as two separate issues.<sup>28</sup> The US nonetheless did not take an official position on the issue when it first emerged, although in 1971 States Department officials raised the issue with the Indonesian and Malaysian governments.

There was a divergence of view between the State and Defence Departments; Defence was concerned with the implications for American strategic interests, while Senate viewed the issue within the wider frame of US relations with the non-communist Southeast Asian nations. The Department of Defence favoured a hard line. This position was expressed in Secretary of Defence Melvin Laird's subsequently rejected proposal that Japan establish a naval presence in the Indian Ocean.<sup>29</sup> In addition, Admiral Moorer, Chairman of the Joint Chiefs of Staff, declared that "...the US feels we should have and must have freedom to go through, under, and over the Straits of Malacca." This hard line was adopted because of the strategic importance of the Straits to the defence policy of the US, which was proven during the 1971 Bangladesh Crisis.<sup>30</sup>

However, by 1974, when the Law of the Sea Conference was convened, the Straits of Malacca issue had become part of the general US position on the Law of the Sea. The US position on transit through international straits was best summed up by Secretary of

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<sup>25</sup> Mokhzani Zubir, The strategic values of the Straits of Malacca, <http://www.mima.gov.my/mima/htmls/papers/pdf/mokhzani/strategic-value.pdf> (20 January 2008)

<sup>26</sup> J.N. Mak, Unilateralism and regionalism, in, G.G. Ong-Web (ed.), *Piracy, maritime terrorism and securing the Malacca Straits*, p. 140.

<sup>27</sup> Y. Vertzberger, The Malacca/Singapore Straits, p. 610.

<sup>28</sup> Y. Vertzberger, The Malacca/Singapore Straits, p. 610.

<sup>29</sup> *Ibid.*, p. 609.

<sup>30</sup> *Ibid.*, p. 619.

State Kissinger on April 8, 1976, "...this guaranteed unimpeded transit is a principle to which the US attaches the utmost importance." In the same speech he mentioned specifically that the Straits of Malacca as an example of straits through which free transit is vital to US interests, which depends on strategic mobility.<sup>31</sup> The US realised the importance of the Straits of Malacca and therefore it will ensure that the freedom of navigation in the Straits would remain uninterrupted.

The stability of the ASEAN as an economic region is a matter of national interest affecting the well-being of all Americans. Its economic prospects, the promotion of democratic values and human rights, and its traditional security interests all require sustained engagement by the US in the region. Therefore, maintaining a credible security presence is an important element in its effort to build a sense of an Asia Pacific community vital to the post Cold War international system now taking shape.<sup>32</sup>

For security purposes, the US has seen Southeast Asia as a maritime region of vast sea spaces. Washington has identified one of its major security responsibilities, therefore, to be maintaining open sea lanes for international commerce.<sup>33</sup> As a maritime nation, the US national security depends on a stable legal regime assuring freedom of navigation on and overflight of international waters. SLOCs connect world countries with one another. In peace time, these ocean routes serve as commercial trade routes but in war-time, SLOC translates itself as the strategic path varying in course and distance depending on the geography of the landmass, reefs and shallows as also the locations of ports and harbours. Hence to the military, SLOCs are the instrument of maritime power with geography being the determinator for the forces being deployed to support friends or deter adversaries. SLOC is the route taken by a ship to transit from A to B. In maritime and economy, it should be the shortest distance, economical and timely delivery of cargo. SLOC is the artery of region and serves as an umbilical cord for the country's economy.

Strategically tanker cargo from Southeast Asian countries carries mainly crude oil imported from Kuwait, Iran, and Saudi Arabia to the refineries located in Singapore and elsewhere in the region. Increasingly, more of the locally produced crudes are refined within the region. Both Indonesia and Malaysia send crudes to the Singapore refineries under processing deals for refining before bringing back the needed products. The region's low sulphur crudes are sold largely to Japan and the US. Refined products mainly from Singapore are shipped to destinations within the region and further afield in small tanker of one to several thousand dwt, while larger shipments to Hong Kong, Japan and elsewhere are carried in tankers of up to about 100,000 dwt.<sup>34</sup>

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<sup>31</sup> Ibid.

<sup>32</sup> A strategic framework for the Asian Pacific rim, report to Congress 1992, <http://www.shaps.hawaii.edu/security/report-92.html#strat0> (15 March 2008).

<sup>33</sup> S.W. Simon, US interests in Southeast Asia: the future military presence, *Asian Survey*, Vol. 31, No. 7, 1991, p. 662.

<sup>34</sup> L.T. Soon & L.L. To (eds.), *The security of the sea lanes in the Asia-Pacific region*, Heinemann Asia, Singapore, 1988, p. 23.

The pattern of shipping movements in the region hinges on the trunk route from Europe via the Straits of Malacca through Singapore, thence branching out through Hong Kong northwards to East Asia and westwards to the West coast of the ., and through Singapore southwards to the Australian ports. Feeder services are established to link more than one hundreds ports open to foreign trade, of which some 25 port serve nearly all the intra-regional traffic. The regional feeder services channel cargo from within the region to Singapore and Hong Kong to be transhipped to larger vessels serving the trunk routes. Inward cargo is received at Singapore and Hong Kong where it is then distributed to the local ports.<sup>35</sup> Given this scenario, it shows the importance of the Straits of Malacca not only to the littoral states but also to the user states. Therefore, many countries yearn to have control on the Straits of Malacca and the US is trying to achieve its objective.

The unique historical place of Southeast Asia in the American experience only adds another layer to its already considerable importance to Washington: as an economic and political partner, and as a place of great geo-strategic consequence sitting astride some of the world's most critical sea lanes, the Straits of Malacca, through which nearly half the world's trade passes. A politically stable, territorially secure, and prosperous Southeast Asia is critical to the US interests in the Asia Pacific region and it can best be achieved through the US involvement in an effective ASEAN.<sup>36</sup>

The formulation of the US naval strategy in the Southeast Asia particularly in the Straits of Malacca has largely been determined by the economic and security interests. An uninterrupted access to the oil and mineral resources of the region has acquired strategic significance because of their effects on the economic stability of the US. Therefore any substantial military and political change in the region which could adversely affect the flow of oil would greatly influence global economic and security issues. In the past, the US military presence has served as a symbol of continued Western interests in the stability of the Southeast Asia region. In order to remain an important political and military force the US has secured a pre-eminent position in the region through an elaborate network of communication stations, port facilities and in particular by developing a supply base.

From the moment of its birth as an independent nation, the US was heavily engaged in overseas trade. In the 1970s the US merchant marine was the second largest in the world. Even though the young nation's boundaries did not yet extend to the Pacific, in that decade as many as 30 merchant vessels per year visited Chinese port.<sup>37</sup> The US interests in the Asia Pacific and specifically in the Straits of Malacca are related to its national security. It further declares itself as a Pacific nation with the justification that its national territory is partly located in the region. Hawaii is physically separated from the continental US by thousands of miles. The headquarters in Hawaii is closer to Tokyo,

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<sup>35</sup> L.T. Soon & L.L. To (eds.), *The security of the sea lanes in the Asia-Pacific region*, p. 23.

<sup>36</sup> Priorities for Southeast Asian policy, <http://www.heritage.org/research/asiaandthepacific/EM746.cfm> (29 February 2008).

<sup>37</sup> S.B. Weeks & C.A. Meconis, *The armed forces of the USA in the Asia Pacific region*, Allen & Unwin, St. Leonards, 1999, p. 7.



Sydney, or Beijing than it is to Washington. Nevertheless it feels responsible for security in the Asia Pacific region because of its military base in Hawaii. Hawaii is the ultimate US fallback point as well as the communication hub and major supply depot for the whole Asia Pacific region. Therefore one of the US security focuses in Asia Pacific is the Straits of Malacca as the strategic route to the Hawaii. This context suggests that the US is a Pacific power that has interests in Asia.

The USPACOM was established as a unified command on 1 January 1947 and it is the oldest and largest of the US unified commands.<sup>38</sup> Of the 43 countries and entities in the PACOM area of responsibility, five are the US treaty allies.<sup>39</sup> The USPACOM based in Hawaii has an area of responsibility that covers approximately 50 percent of the earth surface and some 60 percent of its population, including the world's two most populous countries and the world's most populous nation, China.<sup>40</sup> The USPACOM's area of responsibility spans an area from Alaska to Madagascar and from India to the South Pacific. As of March 2008, the USPACOM total force consisted of some 300,000 military personal from the Army, Navy, Air Force, and Marines which is about twenty percent of all active-duty US military forces. This force consists of service components, subordinate Unified Commands and Standing Joint Task Force. The service components are including US Pacific Fleet.<sup>41</sup>

The US Pacific Fleet, headquartered at Makalapa Creter near Pearl Harbour, is the world's largest naval command. The Commander, US Pacific Fleet supports several unified commanders including the USPACOM. With its forward-deployed presence, the US Pacific Fleet protects vital US interests in the Asia Pacific region.<sup>42</sup> The USPACOM is its largest geographical unified command and is responsible for the US military presence, strategy and policy execution in Southeast Asia.<sup>43</sup> The US also sends warships, including aircraft carriers from its Pacific Fleet through the Straits of Malacca to reinforce its military presence in the Arabian Sea and Persian Gulf which the source of the 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.

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<sup>38</sup> History of the Pacific Command, <http://www.pacom.mil/about/history.shtml> (13 March 2008).

<sup>39</sup> List of countries and entities in the Asia Pacific region, US Pacific Command, <http://www.pacom.mil/about/aor.shtml>, States assigned to the USPACOM area of responsibility include Australia, Bangladesh, Bhutan, Myanmar, Cambodia, China, Comoros, Brunei, Cook Islands, Fiji, New Caledonia/French Polynesia (France), India, Indonesia, Japan, Kiribati, Korea (Republic of), Korea (North), Laos, Madagascar, Malaysia, Maldives, Marshall Islands (Republic of), Mauritius, Micronesia, (Federated States of), Mongolia, Nauru, Nepal, New Zealand, Palau (Republic of), Papua New Guinea, Philippines, Russia, Samoa, Singapore, Solomon Islands, Sri Lanka, Thailand, Timor Leste, Tonga, Tuvalu, Vanuatu, Vietnam.

<sup>40</sup> B. Vaughn, *US strategic and defense relationship in the Asia Pacific region*, Congressional Research Service & The Library of Congress, Washington, 2007.

<sup>41</sup> Pacom fact sheet, <http://www.pacom.mil/about/pacom.shtml> (14 March 2008).

<sup>42</sup> Ibid.

<sup>43</sup> J.R. Kerrey & C.R. Manning, *The United States and Southeast Asia: a policy agenda for the new administration, report of an independent task force*, p. 47.

From the strategic point of view, it was absolutely essential that the US should have unimpeded transit rights as part of the swing strategy under which US naval forces located in the Asia Pacific would be automatically shifted to the Atlantic in case of a general East-West war. Dependence on the Straits would be of even more consequence if the Panama Canal were to be closed for some reason such as domestic instability in Panama and the only feasible short route from the Pacific to the Atlantic was through the Straits of Malacca.<sup>44</sup> The Straits of Malacca retain major value and importance within the Pacific because the emphasis is shifting from North Asia westwards to the sea lanes extending from the Persian Gulf to Japan. Most of the US Seventh Fleet is based east of the Straits, in Guam, Japan, and the Philippines, and the Third Fleet is based on the US West Coast, therefore, rapid deployment of units to the Indian Ocean and the Persian Gulf means transit through the Straits.<sup>45</sup>

Secretary of the Navy Edward Hidalgo admitted in 1980 that the US is covering three oceans with the resources of one and a half, so it need high strategic mobility that will allow for a fast transfer and redeployment of naval units to spots of upheaval.<sup>46</sup> This requirement was underlined by the outbreak of the Iran-Iraq war and the immediate need to transfer naval forces to deter both sides from involving other Gulf states or blocking the Hormuz Strait. The airspace over the Straits of Malacca is within territorial waters and under the jurisdiction of the littoral states. The situation might affect any airlift of men or equipment from the Pacific to the Indian Ocean.

The Straits of Malacca is essential for the "island perimeter" adopted after the Vietnam War, which is based primarily on naval and air power, and depends on strategic mobility and flexibility of deployment. This island perimeter extends from Masirah off Oman to Diego Garcia east through Australia, and north to the Marianas and Japan.<sup>47</sup> This approach places a premium on the US strategic mobility. As the number of the US land bases in Asia and the Pacific becomes smaller and renewal of lease over the remaining bases less certain, shorter sea routes become more important for the effective projection of naval power in the region.<sup>48</sup> US strategists were worried about the fact that the Soviet Navy gained access to Cam Ranh Bay, Da Nang, and Haiphong in Vietnam and to Kompong Som in Kampuchea. Such bases considerably improve Soviet bombers.

On the other hand, the west base that could effectively control the western approaches to the Straits, while the eastern ones are already covered by Subic Bay and Clark in the Philippines. Free navigation of warships and submarines through and under the straits and sea lanes of Southeast Asia is crucial to the nuclear strategy of the US and is thus a matter of the US national security interests. To attack or defend against a nuclear submarine, its location must be known. Four of the 16 strategic straits in the world which are important to the mobility of the US submarine fleet in reaching target

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<sup>44</sup> Y. Vertzberger, *The Malacca/Singapore Straits*, p. 619.

<sup>45</sup> *Ibid.*

<sup>46</sup> *Ibid.*, p. 620.

<sup>47</sup> Y. Vertzberger, *The Malacca/Singapore Straits*, p. 619.

<sup>48</sup> *Ibid.*, p. 620.

areas are in Southeast Asia namely the Straits of Malacca, Lombok, Sunda and Ombai-Wetar.<sup>49</sup> Given the strategic values of the Straits of Malacca to the US since the Cold War, thus it is crucial to maintain its interests in the vital Straits. Therefore this context suggests that the US proposal to patrol the Straits of Malacca clearly due to the strategic interests of the Straits of Malacca, yet piracy as a means to justify its initiative to patrol the vital Straits.

In 1970s the issue of transit passage through the Straits of Malacca become critical after Indonesia and Malaysia bilateral treaty demarcating their territorial sea boundary. The major users of the Straits challenged the Malaysian-Indonesian claims. They argued that under customary international law, the Straits of Malacca was a strait used for international navigation.<sup>50</sup> Free of navigation was to the advantage of maritime powers. The reason was they wanted unimpeded access through straits traditionally used for international navigation so that they could deploy naval forces as quickly and as expeditiously as possible from one theatre of operation to another. In this context, the Straits of Malacca was important in the US "swing strategy" of the 1970s that involved moving naval carrier groups between the Pacific and Indian Ocean and the Middle East.<sup>51</sup> It was noted at that time that naval mobility was a key plank of the US maritime security interests, of which free transit through international straits constituted the legal foundation.

The US has vital military and alliance interests in the Straits of Malacca. Relatively very few of the US oil imports come through the Straits. But as much as 80 percent of the oil used by its Northeast Asian allies, Japan and South Korea, is carried by tankers that traverse Southeast Asia. The US prosperity in turn relies on the economic health of its trade partners. Therefore, it is crucial to the US to ensure the security of shipping and safety of navigation in the Straits of Malacca. To preserve its alliances, the US further must protect the oil lifelines of these allies. Most of their oil passes along the Straits of Malacca but the biggest laden tankers go through Indonesia, via Sunda, Lombok or Makassar Straits.

The security, prosperity and vital interests of the US in the Straits of Malacca obviously are increasingly coupled to those of other nations. It has been identified that the closure of the Straits of Malacca would be precarious to the US interests and also destabilises the Asia Pacific region as a whole.<sup>52</sup> With at least half of Pacific seaborne trade and much of its military traffic utilizing the Straits, instability in Singapore, Indonesia and Malaysia could be very damaging for the Straits area. Closing of the Straits could be provoked or aided by terrorist activities aimed at disrupting shipping.

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<sup>49</sup> M.J. Valencia, Asia and the law of the sea, *International Affairs*, Vol. 73, No. 2, 1997, p. 275.

<sup>50</sup> J.N. Mak, Unilateralism and regionalism, in, G.G. Ong-Web (ed.), *Piracy, maritime terrorism and securing the Malacca Straits*, p. 144.

<sup>51</sup> Ibid.

<sup>52</sup> L.E. Grinter, *East Asia and the United States into the twenty-first century, planning future American policy and strategy options*, Air University Press, Alabama, 1991, p. 18.

Therefore, the role of the US in Asia particularly is driven by its strategic interests to secure the merchant ships and oil tankers that belong to the US's allies. Japan and South Korea use the Straits of Malacca extensively to export its finished products and to import oil from the Middle East. The US has to guarantee its allies that it can protect their economic interests. Failing to do so, Japan and South Korea might seriously consider securing their merchant ships and oil tankers unilaterally by dispatching their own navies and self defence force. If this happen, China also would feel threaten and the power struggle in the Straits will become furious. As most of these Asian countries are the US trading partners, therefore the US would be economically affected if the economic growth of those countries had disrupted. The US-Japan relationship remains the critical linchpin of the US Asian security strategy. Japan anchors the US strategic position in the region, the US is Japan's largest trade partner, and the two countries together account for over 30 percent of global trade.<sup>53</sup> Since 2001, Japan has developed a more aggressive foreign policy and forward defence posture, including bolstering its military alliance with the US High level Japan-US bilateral initiatives declared an expanded commitment to security cooperation by establishing common strategic objective.

The economic importance of the sea lanes from the Persian Gulf to Japan, South Korea and China, which run through the heart of Southeast Asia, simply cannot be overstated. More than US\$1.3 trillion in merchandise trade passed through the Straits of Malacca and Lombok in 1999. The economies of Japan and South Korea, indeed of the bulk of East Asia, depend on the Persian and Gulf for upwards of 75 percent of their oil and gas supplies. As a result, any disruption or dislocation of energy supplies would have an impact on the economies of East Asia and would have significant secondary effects on the US economy as well.<sup>54</sup> Moreover, 38 percent of US trade is within the region, amounting to more than US\$1.1 trillion in 2006. In contrast, 14 percent of US trade is with the European Union, 18 percent is with Canada, and 19 percent is with Latin America.<sup>55</sup>

The US has several key strategic relationships in Asia in addition to the formal alliance, Japan and South Korea. Singapore, India and Taiwan are among the US key strategic relationships in the region.<sup>56</sup> Hence, a stable Asia Pacific region is critical for the US interests in the region. India is emerging as a potentially as the US important strategic partner in South Asia and beyond. India is viewed as an increasingly valuable partner that could act as a counterweight to rising Chinese influence. Singapore meanwhile has been a close partner for some time and in has formalized its strategic and defense relationship with the US. The island country is important to the US particularly to support for port visits, ship repairs, training areas and opportunities. These are important for both daily US presence in the region and for rapid and flexible crisis response. In particular, Washington wants to maintain close political ties with Singapore

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<sup>53</sup> Ibid., p. 17.

<sup>54</sup> J.R. Kerrey & C.R. Manning, *The United States and Southeast Asia: a policy agenda for the new administration, report of an independent task force*, p. 30.

<sup>55</sup> Pacom fact sheet, <http://www.pacom.mil/about/pacom.shtml> (14 March 2008).

<sup>56</sup> B. Vaughn, *US strategic and defense relationship in the Asia Pacific region*, p. 27.

as a strong supporter of the US strategic objectives in the region. Singapore is a key logistical hub positioned strategically between the Indian Ocean and the South China Sea. It is also strategically significant because Singapore is the only non-US base port capable of docking an US aircraft carrier in the region.<sup>57</sup>

Terrorism in the Asia Pacific region remains a serious threat to the US national security interests including the welfare and security of its citizens in the region and the security of its regional friends and allies. Since 9/11, piracy has also been linked to the threat of maritime terrorist attacks.<sup>58</sup> Terrorism moreover is recognised as a threat to the US foreign and domestic security.<sup>59</sup> It threatens the positive regional trends toward stability, democratization, and prosperity. The US strongly support funding to train and equip counter-terrorism units in Indonesia and the Philippines, to provide counter-terrorism training for Malaysia, the Philippines, Singapore and Thailand, and to support regional counter terrorism training, including at the new Southeast Asia Regional Centre for Counter Terrorism (SEARCCT) in Malaysia.<sup>60</sup> The greatest risks to maritime security stem from ‘nightmare scenarios’ such as a WMD placed in a container on a vessel, or the hijacking of a ship carrying dangerous cargo either of which could be primed to detonate in a crowded port or city. Tracking these threats especially those presented by Al Qaeda requires global intelligence and cooperation. This context suggests that the piracy clearly is used to legitimise the US initiative to patrol the Straits of Malacca.

According to Evans J. R. Revere, Acting Assistant Secretary for East Asian and the Pacific, the US can anticipate funding needs for counter-terrorism operations elsewhere in the region. One of these is maritime security in Southeast Asia, particularly in the Straits of Malacca, through which 30 percent of total shipping and 50 percent of oil and gas shipments pass.<sup>61</sup> The US has exercised strong leadership in shaping conceptual, legal and diplomatic improvements. It seeks to build greater regional capabilities and new forms of cooperation to address the vulnerability of maritime shipping in Southeast Asia, where an attack on the Straits of Malacca or other key sea lanes could have an enormous impact on the regional and indeed, the global economy.

Al Qaeda has targeted and continues to target oil infrastructure as a way of “bleeding” the US economy. Along the oil supply and distribution chain, numerous chokepoints are vulnerable to attack. The Straits of Malacca has been identified as of the vital Straits to the US. In addition, according to the Institute for the Analysis of Global Security (IAGS), 60 percent of the world's oil is transported by the sea via 3,500 tankers

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<sup>57</sup> B. Vaughn, *US strategic and defense relationship in the Asia Pacific region*, p. 28.

<sup>58</sup> R. Emmers, *Comprehensive security and resilience in Southeast Asia: ASEAN's approach to terrorism and sea Piracy*, p. 6.

<sup>59</sup> P. Perl, *Terrorism and national security: issues and trends*, Congressional Research Service & The Library of Congress, Washington, 2004, p. 3.

<sup>60</sup> Southeast Asia regional centre for counter terrorism, <http://www.searcct.gov.my/> (23 March 2008).

<sup>61</sup> US interests and strategic goals in East Asia and the Pacific, <http://www.state.gov/p/eap/rls/rm/2005/42900.htm> (12 February 2008).

annually. Everyday 26 million barrels of oil flow through the two chokepoints, the Straits of Hormuz in the Persian Gulf and the Straits of Malacca in Asia.<sup>62</sup>

Piracy has not received much public attention in the US. Pirate attacks on US ships in the Straits of Malacca have been few, partly no doubt because the US commercial vessels that pass through the Straits are comparatively not many. Furthermore, neither the public nor the media in the US has paid much attention to piracy.<sup>63</sup> Given this situation, it is true that the piracy issue as a means to preserve its strategic interests in the international waterway, therefore the US justifies its intention to be involved in the Straits of Malacca based on piracy threat which has been linked to terrorism.

## Japan

As a major user state, Japan maintained a special interest in the Straits of Malacca essentially for commercial reasons. Japan's prime concern has been the safe and uninterrupted passage of the large number of huge oil tankers that carry the country's major energy supply from the Persian Gulf. The vulnerability of that oil lifeline has been responsible not only for Japan's willingness to finance hydrographic surveys of the Straits in order to improve safety of navigation but also for Tokyo's ill-considered, aborted attempt during 1971, to impose an internationally controlled regime.<sup>64</sup> If a potentially hostile power were to gain control of the maritime approaches to Southeast Asia, Japan's economic health would be fundamentally threatened. As long as the US remains the dominant world power, and has a strong alliance with Japan, this will not occur.<sup>65</sup> The Japanese policy, however, has been ambivalent because it has attempted to divorce military from commercial considerations. Therefore, it is important to take note that the two most important variables defining Japan's future sea lane security are the continued forward presence of the US Seventh Fleet in the Western Pacific and China's future political orientation and maritime strategy.<sup>66</sup>

Japan's desire to send its military forces to assist in the security of the Straits of Malacca is due to its own interests. Almost 80 percent of Japan's oil import trade traffic from the Middle East travels through the Straits of Malacca, giving that major global power enormous vested interest in a range of maritime issues in the region. Equally, as the economic power of Southeast Asia grows, passage through the Straits has assumed even greater importance. A combination of archipelagic geography, poor resources

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<sup>62</sup> A. Bordetsky, R. Hwang, A. Korin, D. Lovaas & L. Tonachel, *Securing America solving our oil dependence through innovation*, National Resources Defense Council, New York, 2005, p. 11.

<sup>63</sup> W.M. Carpenter & D.G. Wiencek, Maritime piracy in Asia, in, W.M. Carpenter & D.G. Wiencek (eds.), *Asian security handbook an assessment of political-security issues in the Asia Pacific region*, p. 85.

<sup>64</sup> S. Bateman, Regional response to enhance maritime security in East Asia, *the Korean Journal of Defense Analysis*, Vol. 18, No. 2, 2006, p. 30.

<sup>65</sup> P. Dibb, Indonesia: the key to Southeast Asia's security, *International Affairs*, Vol. 77, No. 4, p. 833.

<sup>66</sup> E. Graham, *Japan's sea lane security, 1940-2004: a matter of life and death?*, Routledge, New York, 2006, p. 2.

allocation and the large distances separating Japan from its primary suppliers of energy, raw materials and food has accentuated the importance of shipping to its security.<sup>67</sup> Japan depends particularly on sea lanes connecting it with the oil terminals in the Gulf, from which it draws nearly all its oil, and other shipping routes connecting it with the mineral resources of the Indian Ocean basin, Southeast Asia and North America. Japan's economy highly depends on safe passage of ships through the Straits of Malacca, and therefore, Japan has long cooperated with Singapore, Malaysia and Indonesia in the area of navigation safety and seabed mapping through joint research, sharing of equipment and training.

The Straits of Malacca is important to ship Japanese manufactured goods to Europe, Australia, the Middle East and Africa. It is, therefore, in Japan's interests to ensure the security of the Straits of Malacca.<sup>68</sup> In addition, Japan is one of the biggest supporters of both regional and multilateral efforts to combat piracy. It has sponsored anti-piracy drills and joint exercises with littoral states, and as the US closest ally in the Asia Pacific region, Japan has cooperated with the US under the RMSI and PSI.<sup>69</sup> The Japan-US alliance is the most significant pillar of Japan's security strategy ever since the end of World War II. The alliance initially served the purpose of ensuring the security of Japan. Both countries have overriding common interests stretching from economic interdependence to political coordination and strategic alignment.<sup>70</sup> Therefore, Japan supports the initiatives proposed by the US to tackle piracy threat in the Straits of Malacca and also in US war on terror.

The increase in piracy incidents in the Straits since the 1997/1998 Asian economic crisis resulted in an increase of Japanese assistance in anti-piracy efforts. Japan has also aided civilian law enforcement capabilities of the littoral states through its Coast Guard. In addition, Japanese Coast Guard vessels have carried out joint exercise with civilian maritime counterparts in Southeast Asia. Japan's approach emphasises the sovereignty of the littoral states and focuses in their cooperative capacity building. The Japan International Cooperation Agency (JICA) funds the Coast Guard's seminars to train maritime authorities in Southeast Asia, and Japan's aid is critical in helping to create maritime patrol authority where local capacity is lacking particularly in Indonesia.<sup>71</sup>

At the 1999 ASEAN Plus Three (APT) Summit, the late Japan's Prime Minister Keizo Obuchi first suggested the creation of a regional coastguard as an anti-piracy measure.<sup>72</sup> It was proposed that these patrols be based on a multilateral approach and

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<sup>67</sup> Ibid, p.2.

<sup>68</sup> The Ministry of Foreign Affairs of Japan, <http://www.mofa.go.jp/policy/piracy/index.html> (02 April 2008).

<sup>69</sup> Singapore's cooperation with the US, Japan and Australia in the war against global terrorism, [www.msstate.edu/chair/radvanyi/ICWAT/Tan\\_Andrew\\_Paper.pdf](http://www.msstate.edu/chair/radvanyi/ICWAT/Tan_Andrew_Paper.pdf) (02 April 2008)

<sup>70</sup> S.T. Hook, *Comparative foreign policy adaptation strategies of the great and emerging powers*, Pearson Education, New Jersey, 2002, p. 110.

<sup>71</sup> Y. Sato, *Southeast Asian receptiveness to Japanese maritime security cooperation*, p. 5.

<sup>72</sup> R. Emmers, *Comprehensive security and resilience in Southeast Asia: ASEAN's approach to terrorism and sea piracy*, p. 23.

involve Japan, South Korea, China and the three littoral states. The two littoral states of Malaysia and Indonesia, nonetheless, strongly oppose the internationalization of the Straits of Malacca. The littoral states welcomed Japan's help in forms other than military forces. Furthermore, China openly opposed Japan's proposal, which was perceived in Beijing as an effort to reduce its rising maritime influence in Southeast Asia. For a long time, Japan has wanted to mobilize its forces to help in the patrols, but this has always been refused.

Bilateral cooperation has also steadily advanced. For example, in November 2000, a patrol vessel of the Japan Coast Guard visited India and Malaysia for combined exercises aimed at combating piracy.<sup>73</sup> Meanwhile, it is not an easy task to develop a framework of regional efforts, because the problem is directly concerned with national sovereignty. In February 2001, Japan announced that it is considering deploying vessels to patrol the Straits of Malacca as an effort to combat piracy.<sup>74</sup> Tokyo's proposal to join forces from Malaysia, Indonesia, Singapore, South Korea and China to patrol the waterways comes during a growing debate over the possible revision of Article 9 of the Japanese constitution.<sup>75</sup> This reflects a change in the Japanese thinking regarding maritime security. Tokyo realises that Japan is indeed a major maritime power with strategic interests. Moreover, Japan has come under growing pressure from the US to assume a greater security profile for a more dynamic and active role in its national interests. Although Japan continues to propose multilateral joint patrols, Southeast Asian nations, particularly the littoral states of Malaysia and Singapore have so far not accepted the proposal.<sup>76</sup>

In November 2004, Japan led a multilateral initiative to establish an information-sharing centre in Singapore. This initiative involved 16 Asian countries in the effort. Furthermore, Japan has taken unilateral steps to devote ten naval ships to monitoring the high seas around the Straits of Malacca. Japan also announced its plans to present three new, high speed patrol boats worth US\$10.5 million each to the Indonesian government as part of Japan's overseas development assistance in 2005.<sup>77</sup> Japan's anti-piracy efforts have also promoted multilateral institution building in the region. Japan for instance has financed efforts of the IMO to track and study piracy incidents. Japan's Ship and Ocean Foundation has also provided seed money for the IMO sanctioned Anti-Piracy Centre in Kuala Lumpur. In March 2005, Japan held the second "ASEAN-Japan Seminar on Maritime Security and Combating Piracy" in Tokyo to review progress of the ASEAN

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<sup>73</sup> India challenges China in South China Sea, [www.atimes.com/ind-pak/BD27Df01.html](http://www.atimes.com/ind-pak/BD27Df01.html) (25 March 2008)

<sup>74</sup> Southeast Asia's maritime security dilemma: states or market? <http://www.japanfocus.org/products/topdf/244> (23 March 2008)

<sup>75</sup> Forging a new Japan, <http://www.atimes.com/japan-econ/BB23Dh01.html> (26 March 2008)

<sup>76</sup> M.J. Valencia, Politics of anti-piracy and anti-terrorism responses in the Malacca Straits, in, G.G. Ong-Web (ed.), *Piracy, maritime terrorism and securing the Malacca Straits*, p. 96.

<sup>77</sup> The Ministry of Foreign Affairs of Japan, <http://www.mofa.go.jp/policy/piracy/index.html> (02 April 2008).



countries on implementation of the International Ship and Port Facility Security (ISPS) Code.<sup>78</sup>

Indeed, following the abduction of Japanese crew of tugboat in the Straits of Malacca in March 2005, Japan offered to provide Indonesia with high speed patrol boats for anti-piracy missions in the vital sea lane. Japan also proposed in 2005, multinational patrols in both territorial and international waters as a counter piracy measure. This was received with scepticism by the littoral states particularly Indonesia and Malaysia, concerned over the violation of their sovereignty and limitations on controlling their Exclusive Economic Zones (EEZ), the littoral states were unwilling to allow Japanese forces to patrol their waters. Despite the strategic significance of the Straits of Malacca, Japan has so far focused on civilian cooperation and refrained from directly utilizing its maritime self-defence forces for specific tasks in the region other than disaster relief. Given that Japan occupied this region during World War II, activities by Japanese military forces in this area is a sensitive issue. However, Japan has a huge stake in the security of the Straits of Malacca, given that it is its oil and economic lifeline. Therefore, any prolonged disruption or instability would imperil Japanese economic interests. Strategically and economically, instability as a result of increased radical challenges to the governments of the region would also be inimical to Japan interests. Notoriously, Japan lacks its own sources of raw materials, oil most conspicuously, which need to be shipped through the vital chokepoint.

## India

Another major power that has strong strategic interests in the Straits of Malacca is India. Over 50 percent of India's trade passes through the Malacca Strait, making security of this waterway, particularly in the context of piracy there and the lurking threat of maritime terrorism, a crucial security concern for India.<sup>79</sup> Inclusion in its security would therefore be in India's national interest. The mercantile traffic transiting the Straits of Malacca passes close to the Indian area of maritime interest and therefore, any unforeseen contingency or development in the Straits of Malacca has security implications for India.<sup>80</sup>

India argues that it has a stake in maintaining the safety and security of the Straits of Malacca and that the government should pursue an aggressive strategy of contributing to the region's efforts to keep the Straits of Malacca safe and free from threat.<sup>81</sup> While the littoral states are continuing their own initiatives to take care of this strategic waterway, India, which has a stake in the Straits, believes that it has a role to play in the Straits' security system. And for India, the joint patrolling of the Straits of Malacca is evidence and endorsement of its claim that its security interests stretch up to and include

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<sup>78</sup> Ibid.

<sup>79</sup> India Navy drops another anchor, [http://www.atimes.com/atimes/South\\_Asia/HJ17Df02.html](http://www.atimes.com/atimes/South_Asia/HJ17Df02.html) (16 April 2008).

<sup>80</sup> Sumathy Permal, India's and China's strategic in the Straits of Malacca, <http://www.mima.gov.my/mima/htmls/papers/pdf/sumathy/> (13 March 2008)

<sup>81</sup> Ibid.

the Straits.<sup>82</sup> India has developed capabilities in various aspects of maritime security and would be most willing to share its expertise with the countries of the region.

India also has become increasingly involved in Southeast Asian maritime security, as part of its reinvigorated activism in the wider Asia Pacific region and its “Look East” policy, aimed at strengthening its influence in Southeast Asia specifically.<sup>83</sup> Indian naval strategy in the new century demands more submarines, a strong mine clearing capability and naval air reconnaissance capabilities to the Straits of Malacca. India is following an important strategic maritime goal in a period of interdependence between world’s geo-economic regions and establishing an overall maritime presence in its sea area of strategic interest. This strategic includes India’s desire to project their prowess beyond their interest.<sup>84</sup> Therefore, India is working towards building a navy that can take multiple sea challenges to the mainland. India also underlines its claim as a leading maritime power through strong forward presence in each of its major island territories.

It is India's national interest to ensure that the Straits of Malacca remains a crime free sea lane. Its closure could generate a massive increase in freight rates worldwide and hit bulk shipments hardest. Ensuring that the Straits of Malacca do not fall into hostile hands that might choke the free flow of maritime vessels is a nightmare that many countries are anxious to prevent from being turned into reality.<sup>85</sup> The proposed India-US joint patrolling of the sea lanes along the Straits of Malacca represents not only a new high in cooperation between the two countries, but also signals India's emergence as a key player in the region.<sup>86</sup> Moreover, there has been a remarkable change in India-US relations in recent years. For example, in 2002 the Indian and US navies worked together to ensure the safe transit of high-value units through the Straits of Malacca.<sup>87</sup>

India has a vital interest in seeing the Straits of Malacca remain in friendly hands. Its policy has led to an increasing engagement with Southeast Asia and the sea lanes to India's east are growing in significance for its energy security as New Delhi is looking for oil and gas supplies from Myanmar, Vietnam and Indonesia. Thus, in 1999 India announced that its strategic interests are extended all the way from the Persian Gulf to the Straits of Malacca. More importantly India has a critical interest in seeing the Straits of Malacca as one of the world's critical maritime superhighways not controlled by countries that are hostile to it. India’s seriousness in securing its strategic sea lane is evidenced in 2001 when India deployed its navy to East Asia, from Singapore to Japan.

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<sup>82</sup> M.J. Valencia, The Politics of anti-piracy and anti-terrorism, in, G.G. Ong-Web (ed.), *Piracy, maritime terrorism and securing the Malacca Straits*, p. 91.

<sup>83</sup> J.F. Bradford, The growing prospects for maritime security cooperation in Southeast Asia, *Naval War College Review*, Vol. 58, No. 3, 2005, p. 15.

<sup>84</sup> Sumathy Permal, India's and China's strategic in the Straits of Malacca, <http://www.mima.gov.my/mima/htmls/papers/pdf/sumathy/> (13 March 2008)

<sup>85</sup> India signs on as Southeast Asia watchdog, <http://www.atimes.com/ind-pak/DD05Df01.html> (28 March 2008)

<sup>86</sup> India signs on as Southeast Asia watchdog, <http://www.atimes.com/ind-pak/DD05Df01.html> (28 March 2008)

<sup>87</sup> J.F. Bradford, The growing prospects for maritime security cooperation in Southeast Asia, p. 15.

## China

China, a rising great power in the East Asian region, is also heavily dependant on the Straits of Malacca for trade and energy transportation. China's strategic significance of this Straits increases every year. At present, approximately 60 percent of China's crude oil imports originate in the Middle East, and this figure is expected to rise to 75 percent by 2015.<sup>88</sup> Oil from the Persian Gulf and Africa is shipped to China via the Straits of Malacca, Lombok or Makassar Straits. Over the past few years Chinese leaders have come to view the straits, especially the Straits of Malacca, as a strategic vulnerability. In November 2003, China declared that certain major powers were bent on controlling the Straits, and called for the adoption of new strategies to mitigate the perceived vulnerability.<sup>89</sup>

China Youth Daily, one Chinese leading newspaper quoted saying that "...it is no exaggeration to say that whoever controls the Straits of Malacca will also have a stranglehold on the energy route of China".<sup>90</sup> China's overwhelming reliance on the Straits of Malacca for energy transportation has made the Straits one of China's critical SLOCs that it must secure, especially from hostile foreign naval forces. One of the ways China tries to seek SLOC security in the Straits of Malacca is through diplomacy. Beijing is active in fostering relationships with the littoral states of the Straits of Malacca, especially Malaysia. As President Hu Jintao of China highlighted, the Straits of Malacca dilemma is the key to China's energy security and any vulnerability will be a threat to China.<sup>91</sup> Moreover, Zhao Nianyu of the Shanghai Institute of International Studies points out that the US could blockade the Straits of Malacca as of the three major challenges to China's Energy Strategy.<sup>92</sup> He further points to the RMSI as a first step by the US military to garrison the Straits under the guise of counter-terrorist measures.

The Straits of Malacca dominates more than the commercial and economic life lines into and out of the rapidly expanding economies of East Asia, particularly China. The global strategic growth and expansion of aspiring powers can be contained and regulated through the mere control over the movement of their naval forces through the Straits of Malacca. For Beijing, this reality is increasingly a vital interest. Any Chinese naval and military surge into the Indian Ocean must pass through the Straits of Malacca.<sup>93</sup> If China is able to control the Straits of Malacca, it would reduce the possibility of the US

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<sup>88</sup> I. Storey, China's Malacca dilemma, <http://www.asianresearch.org/articles/2873.html> (20 March 2008)

<sup>89</sup> Sumathy Permal, India's and China's strategic in the Straits of Malacca, <http://www.mima.gov.my/mima/htmls/papers/pdf/sumathy/> ( 13 March 2008)

<sup>90</sup> I. Storey, China's Malacca dilemma, <http://www.asianresearch.org/articles/2873.html> (20 March 2008)

<sup>91</sup> B. Thomas, *Scaling rising tides: a three-pronged approach to safeguard Malacca Straits*, Institutes of Defence and Strategic Studies, Singapore, 2005, p. 1.

<sup>92</sup> *Ibid.*, p.1.

<sup>93</sup> Mokhzani Zubir, The strategic values of the Straits of Malacca, <http://www.mima.gov.my/mima/htmls/papers/pdf/mokhzani/strategic-value.pdf> (20 January 2008)

hegemony in the region since the Straits has become a vital international waterway for both commercial and strategic mobility.

The emergence of China as major global player will not only transform the regional geopolitical landscape but will also mean an increased dependence on the sea as an avenue for trade and transportation of energy and raw materials. Within the region, the Straits of Malacca is one of the main sea lanes through which trade, energy, and raw material resources flow. The rise of the regional power will increase the dependence on the regional sea lanes. This is because countries in the region depend on the sea as an avenue for trade and transportation of energy and raw materials. In particular, the sea lane is vital to the transportation of goods, energy and raw materials to the dynamic economies of Northeast Asia includes China which is evidenced by the volume and value of resources trade that flows through the sea lanes. China depends on the Straits to carry 90 percent of its trade through the waterways, and more than 80 percent of its energy imports.<sup>94</sup> Therefore, the country has a vital stake in keeping the Straits secure and safe.

For China, its concern on the security of oil supply prompts their defence apparatus to project their naval power in the Straits of Malacca and further to the Persian Gulf.<sup>95</sup> In addition, China has no strategic oil reserve. It therefore realises that without the reserve, the country's economy is vulnerable. As such, China is serious in keeping the vital Straits open and securing the ships that are navigating through the chokepoints carrying crude oil from the Middle East. It is vital for China to hold a strong position in the Straits of Malacca. As the Straits of Malacca is the main entrance to East Asia from the West, China could protect its seaborne trade and oil supply within Southeast Asian countries. Offensive military option is to deploy rapid reaction forces when a crisis occurs while defensive posture is by creating credible deterrence capability.<sup>96</sup> The strategy will show China's determination and strength to safeguard the country's interests. Hence, the security of the transport corridors is a big concern to China particularly in the Straits of Malacca.

## **THE LITTORAL STATES OF THE STRAITS OF MALACCA**

Southeast Asia has several SLOCs including the Straits of Malacca, the Singapore Straits and Sunda Straits. The Straits of Malacca is of particular importance. It is viewed by many countries as a key feature in the development of commerce and security in the East-West linkage.<sup>97</sup> Therefore, it would not be an exaggeration to say that the security of the Straits of Malacca is almost indispensable for the growth of the Asian economies. Due to the strategic environment in the Straits of Malacca, the stakes are particularly high for two groups of states. Firstly, the three littoral states of Malaysia, Indonesia and Singapore

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<sup>94</sup> Security in the Straits of Malacca, <http://japanfocus.org/products/details/2042> (27 March 2008)

<sup>95</sup> Mokhzani Zubir, The strategic values of the Straits of Malacca, <http://www.mima.gov.my/mima/htmls/papers/pdf/mokhzani/strategic-value.pdf> (20 January 2008)

<sup>96</sup> Mokhzani Zubir, The strategic values of the Straits of Malacca, <http://www.mima.gov.my/mima/htmls/papers/pdf/mokhzani/strategic-value.pdf> (20 January 2008)

<sup>97</sup> Hamzah Ahmad, The Straits of Malacca: a profile, in, Hamzah Ahmad (ed.), *The Straits of Malacca: international cooperation in trade, funding and navigational safety*, p. 8.

and secondly, the user states, especially Japan, China and South Korea, which are dependent on the Straits of Malacca for the uninterrupted and efficient transit of cargo, especially energy supplies. Of course the US as the most powerful maritime power in the world is included in the list because it is a global power. The US has also been indicated that it would remain the largest economy in the world.

### **The Littoral State of Malaysia**

The Straits of Malacca is seen as a critical economic artery by Malaysia. Malaysia depends on the Straits for resources, defence, shipping services, ports, tourism, and for facilitating external trade.<sup>98</sup> The Straits run parallel to the industrial heartland of Malaysia serving the so called Western Corridor of Malaysia. Every major Malaysian port is located along the Straits of Malacca, and this is reflected in the Malaysian effort to promote two straits ports namely Port Klang and the port of Tanjung Pelepas as international trans-shipment hubs for container traffic. Obviously the Straits of Malacca is strategically important to Malaysia.

The primary aim of Malaysia is to ensure that it has complete control over the Straits of Malacca. Malaysia feels there is no need for the presence of an extra regional force for the purpose of securing the Straits and that such presence would impinge on the sovereignty of the country. Malaysia disagrees with the suggestions that the US might station special forces in the vicinity of the Straits of Malacca to carry out counter-terrorism operations and piracy due to sovereignty issues as well as domestic political sensitivities. But this prospect resulted that the littoral states would cooperate more closely in carrying out coordinated year round patrols to ensure the security of the sea lane. Malaysia was against foreign military forces patrolling the Straits of Malacca. However Malaysia welcomes foreign monetary and technical aid to tighten the security in the vital Straits.<sup>99</sup> Despite lingering mutual suspicions, Malaysia with other littoral states has in effect been forced to cooperate closely due to the US intention to establish its naval presence in the vital Straits.

Regarding the piracy threat in the Straits of Malacca, Malaysia has tackled the issue more aggressively. It has developed its naval capacity to ensure maritime security in its territorial water. For instance, Malaysia has its own version of the US Coast Guard to patrol and safeguard security along the Straits of Malacca. The Malaysian Maritime Enforcement Agency (MMEA) as one of the important Malaysian agencies in fighting piracy has increased its patrol against piracy and the risk of maritime terrorism in the Straits of Malacca.<sup>100</sup> It equips with vessels and aircraft capable of operation around the clock. Moreover, the “Eyes in the Sky” (EiS) which was proposed by Malaysia is one of the significant steps to enhance cooperation in the Straits of Malacca among the littoral states. The initiative focuses on the conducting of maritime air patrols in the Straits of

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<sup>98</sup> Ibid, p. 12.

<sup>99</sup> M. Lourdes, Safer through the Straits, *News Straits Times*, 14 December 2007.

<sup>100</sup> Malaysian Maritime Enforcement Agency, <http://www.mmea.gov.my/mmeaBI/page.php?pageid=35&panelmenu=2> (18 April 2008).

Malacca by the three littoral states.<sup>101</sup> It also allows the littoral states to contribute their capabilities to the security in the Straits. The littoral states, however, recognise that they do not have adequate assets to implement these initiatives, thus, the involvement of user states in providing assets that can only be manned by personnel from the littorals, was adopted.

### **The Littoral State of Indonesia**

Meanwhile, Indonesia is another littoral state that is concerned over the security of the Straits of Malacca. On the Indonesian side, the Straits of Malacca is of great importance for similar socio-economic reasons like Malaysia. As an archipelagic country made up of over 13,000 islands scattered across a range of over 5,000 kilometres from east to west, Indonesia's maritime security concerns are far broader than piracy in the Straits of Malacca.<sup>102</sup> Combined with the fact that major victims of piracy in the Straits of Malacca are merely passing through the Straits with little economic benefits to Indonesia, the country's interest in anti-piracy efforts in the Straits of Malacca is limited. Among the littoral states, Indonesia has the longest coastline along the Malacca Straits, and most pirates are believed to come from that country due to its political instability and poor economic performance. Furthermore, Indonesia also has limited capability particularly in providing equipments to fight the piracy threat.

However, Indonesia has been, in recent years cracking down on piracy along its coasts. In particular, it has extended its police operations on land to deter and arrest pirates. Some significant constraints remain. The Indonesian Navy (TNI-AL) is poorly equipped to address piracy.<sup>103</sup> The Indonesian air force also suffers from a lack of funding, which further undermines Indonesia's capability to ensure its maritime security. The navy and the police in general need more manpower, funds, sophisticated technology and weaponry to fight piracy effectively. Indonesia is keen to receive external assistance in the form of equipment and training, but wants this assistance for its own priorities.

### **The Littoral State of Singapore**

Singapore's location in the heart of the Straits of Malacca and its economy's critical dependence on trade, demand its attention on piracy in the Straits of Malacca. Combined with long-standing mistrust of predominantly Muslim Malaysia and Indonesia, Singapore's high priority on the Straits security has led it to seek closer cooperation with external partners, especially the US and Japan, sometimes beyond the comfort level of Singapore's neighbours. Singapore's strong support for the US war against terrorism has been rewarded with much closer strategic, security and economic relations. The country

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<sup>101</sup> J.H. Ho, The security of sea lanes in Southeast Asia, *Asian Survey*, Vol. 46, No. 4, 2006, p. 572.

<sup>102</sup> Y. Sato, *Southeast Asian receptiveness to Japanese maritime security cooperation*, Asia Pacific Centre for Security Studies, Honolulu, 2007, p. 5.

<sup>103</sup> R. Emmers, *Comprehensive security and resilience in Southeast Asia: ASEAN's approach to terrorism and sea piracy*, Rajaratnam School of International Studies, Singapore, 2007, p. 10.

is the 11th largest trading partner of the US with two way trades worth over US\$26.3 billion in 2007.<sup>104</sup>

Singapore has traditionally been concerned with its economic prosperity, which is dependent on international trade. Singapore is a major trans-shipment hub and sits astride the east-west main route within the global hub of container network. It has the second largest container port in the world. Hence, the city-state is eager to see the safety of navigation ensured in the Straits of Malacca. The Singapore Coast Guard (SCG), which has gone through an upgrading program since the early 1990s, is directly involved in preventing piracy acts in its territorial waters.<sup>105</sup> In addition, the city-state has since 9/11, increased air and navy patrols in its air space and territorial waters. Singapore already possessed the most capable naval and maritime security forces in Southeast Asia and does not require as much external assistance in terms of equipment and training except for joints operations. Singapore further encourages the physical presence of external naval or maritime forces in the vital Straits. The third littoral states, Singapore in contrast to Indonesia and Malaysia desperately wants a greater US presence in the Straits. It sees the value of a US presence not merely in commercial terms but also as a military counterweight to maintain stability and peace in the Asia Pacific region.<sup>106</sup> Singapore has emerged as a principle security ally of the US in Southeast Asia since the end of the Cold War, particularly following the departure of the US from Subic Bay Naval Base in the Philippines in 1992. It actively searches for ways to keep the US engaged in the region.

## CONCLUSION

This paper has examined the littoral states' position towards piracy and their interests in the Straits of Malacca as well as the position on external power involvement. Overall, the strategic importance of the Straits of Malacca continues to grow. Today, the Straits of Malacca retains its eminence as a commercial sea lane and strategic waterway. As globalisation takes hold of the world, the Straits of Malacca finds itself still very much a key artery of global commerce, serving over one third of seaborne trade. In a way, one might say that the Straits of Malacca has contributed substantially to the development of nations which are heavily reliant on inter-continental trade. Not only the littoral states but also the major user states are concern on the safety of navigation particularly China, Japan and India. Their expression of interest in the security of the Straits of Malacca is a reflection of their efforts to preserve their own individual strategic interests.

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<sup>104</sup> US trade with Singapore, 2007, <http://singapore.usembassy.gov/uploads/images/> (29 February 2008)

<sup>105</sup> R. Emmers, *Comprehensive security and resilience in Southeast Asia: ASEAN's approach to terrorism and sea piracy*, p. 12.

<sup>106</sup> J.N. Mak, Unilateralism and regionalism, in, G.G. Ong-Web (ed.), *Piracy, maritime terrorism and securing the Malacca Straits*, p. 157.