



Captain Hamid Sohail  
Pakistan Navy

### Introduction

Vice Admiral Wijegunaratne SIR, honorable guest speakers, officers Ladies and Gentlemen, Firstly, my sincere thanks to the Chief of the Navy Sir, for the invitation to travel to Trincomalee and speak to you today. This is my first trip to Srilanka and I hope this engagement will further strengthen the close relationship between Srilankan Navy and Pakistan Navy. I am honored to get this opportunity to talk to this august gathering.

Ladies and Gentleman, the canvas is enormous and the amount of time available does not justify it so I would immediately dive into the subject. The sequence of My presentation would be as flashed

- Why Need of Maritime Collaboration.
- Logistics Management Contours
- Challenges/ Pre-Requisites for Maritime Collaboration
- Conclusion

I would firstly try to an countrieswer the question as to why? Even think of collaborating on the lines of Maritime Collaboration in Logistics by looking at the Logistics management contours and the International Logistics management network. After which my talk would focus on the challenges which we face in the current scenario. Including international security challenges and measures to overcome them before summing up my talk.

### Why Need of maritime collaboration

Ladies and Gentlemen, The 21st Century is witnessing geo-political transformations of an unprecedented scale. Driven by political, economic and security interests and concerns, alliances and partnerships are defined and inter-state relations are managed, garnering the way to an unending game of cooperation and competition. The impact is instantly visible on the Oceans.

Oceans being prime movers of global economies, conduit of energy resources and trade, as well as medium of power projection to apply national policies, and influence events ashore. Thus oceans serve to unite or divide the world, whichever manner mankind wants to exploit them; Indian Ocean being no exception to this transformation process.

According to the world trade organization publication (WTO, 2015) international trade has expanded from \$7375 billion in 2003 to approximately \$20,000 billion in 2015. This increase in volume of international trade demands and acquaint new challenges (such as; security, piracy, environmental issues, and protective regulating policies by major players) not only for maritime logisticians but also for the Navies. Particularly, for the Navies of Indian Ocean the challenges are far superior than the rest of the world as global trade indicator shows upward trend in the supply and demand of goods from developing Asian economies such as China, India, Hong Kong, Taiwan, Pakistan and Bangladesh (WTO, 2006 press release). Therefore, it is imperative to address these new challenges in the context of all the Stakeholders involved in Indian Ocean.

One of the justifications for academics to study sea power and the development of navies is that they offer a means of analyzing general political, historical, economic and strategic trends. This is because navies necessarily reflect developments ashore. For this reason they simply cannot, or at least should not, be studied in a vacuum.

## **Logistics Management contours**

Sun Tzu said and I quote

“The line between disorder and order lies in logistics“

Planning, implementing and controlling the efficient and effective flow and storage of raw or finished products from the point of origin to the point of consumption is what logistics are. Logistics provides an end to end efficient system that delivers. Logistics is the management of flow of resources. Logistics and the related areas are the actual issues that require clear direction and guidance from senior governmental authorities that share a joint focus and vision. The whole process can, and should, be inclusive. There need be no losers; there should only be winners amongst all stakeholders. Consider the difficulty in explaining to the international community, after the analysis of a catastrophic event, man-made or natural, that the key information to remove or reduce the effect was indeed available in advance, but locked up in a failed process.

That is our challenge.

The World has become increasingly economy driven, where emerging markets are vying to seek parity and even surpass the established ones. Economy has become a dominant element of national power, without which no power or state can afford to prosper or remain relevant. Economy defines national security and lends credence to Geo-economics as pre-eminent strategic thought, largely driving geo-politics in the contemporary era.

The pattern of international trade and services is one of continuous change and challenge. It is becoming more complex and driven by many elements on a global basis. Such as managing the flow of goods, information, security and money across borders is a highly complex, regulated and dynamic process. All countries small and large, ultimately reach a decision point with regard to global trade management (GTM) through investing in the core competencies such as people, technology and infrastructure. The excessive focus of countries in international trade is prompted due to the realization of fact that global trade has a direct impact on a country's economy.

Thus there is a need to view the international logistics management network holistically and develop a long-term plan by optimizing financial resources and provide a sustainable maritime transportation solutions for future generations.

Countries in the region need to spend more dollars. But spending money is not the only solution. We need to target that money strategically, using a holistic strategy. By holistic. I mean taking into account how all the air, land and water-based systems work together and increasing the integration of all these different modes of transport. After all, the trend towards intermodal supply chains means that bottlenecks on one type of system can lead to bottlenecks on others.

For example, all the port capacity in the world won't prevent bottlenecks if there is not enough rail freight capacity on which to unload the ocean shipments i.e we have to build an integrated international logistics system. This could be done by appointing cross-countries cross functional committee to develop an international regional plan to eliminate gridlock. This should be for both private and public entities to work together to more efficiently use existing infrastructure and build security into the process by identifying the tools used to establish secure online communication channels.

For our ports to handle more TEUs like Singapore and Dubai we have to update our port infrastructure. With the advent of the much larger Post-Panamax containership with the capacity of more than 14,000 TEUs and expectations of Forty-foot containers need to unloaded and loaded in a single port posing new challenges and stretching the capabilities of our existing port infrastructure. In this regard, depth of channels and of the berths needs to be dredged to accommodate larger ships with draft exceeding 40 feet. New cranes that can reach the far side of the wider ships need to be installed at transshipment ports.

Other facilities like connection with the land based transportation services (truck, rail), barges, cargo storage, special cranes and air cargo series need to enhance accordingly.

We can be smarter about how we manage our supply chains. Yes, our transportation infrastructure is having a hard time keeping up with demand. But that does not mean we can not streamline our logistics so our goods keep flowing – even in crowded trade lanes. We need to expand our vision for coming years to facilitate our businesses; people and other stakeholders by synchronizing commerce. By “Synchronizing commerce, “. I mean coordinating the movement of goods and information by using E-commerce

When goods and information about those goods move together, shipments are speedier, more accurate and more responsive to customer based. We believe synchronized E-commerce for maritime logistics will result in even larger savings and improved businesses results across the world in years to come. Network sharing of information and knowledge acquisition may help maritime operators to maximize maritime logistics value through safeguarding sea routes. The operators can acquire knowledge through being mixture of co-operation and competition network.

### **Challenges/ Prerequisites for maritime collaboration**

Now to look at the challenges to be faced for Maritime Collaboration:

- Aggressive Naval Buildup and International Security Challenges.
- National will/Political/leadership.
- Finances
- Infrastructure.
- Legislation – National/Bilateral/International

## **Aggressive Naval Buildup and International Security Challenges**

With Geo-economics emerging as per-eminent strategic thought, the corresponding effects of globalization have been profound and far reaching. As a natural sequel, security of global seaborne trade and energy lifelines underpinning global economic system has gained unprecedented prominence. The assurance of free and uninterrupted use of world's oceans underlines the present and future course of maritime nations.

Throughout history, strategic importance of the Indian Ocean has never been in question. It has political, economic and security dimensions marking it a focus of continued global attention.

The Indian Ocean is witnessing a silent yet aggressive naval build-up, which features modern and sophisticated naval hardware - aircraft carriers, submarines, expeditionary platforms, destroyers and frigates and missile-capable craft to conduct complex operations. The comparatively larger Navies are investing into modern up-to-date platforms and systems. As far as the smaller countries are concerned, their naval acquisitions would be limited to coastal security. These investments can only be fruitful if the joint and collaborative Naval force respectful of each other launch and conduct operations in the Indian Ocean to maintain safety and security of commercial vessels and fishermen to support the national economy.

In addition, the region also represents the most politically troubled and potentially combustible area of the world, Political instabilities give way to internal. Local and regional conflicts, making it prone to external political and military involvement. Indian Ocean's security has thus become multifaceted and dynamic, in the context of regional maritime security, major drivers that characterize and destabilize the region include sharp increase the demand of fossil fuel, emergence of new regional powers and their ability to project power, militarization and naval buildup, territorial disputes including delimitation of maritime boundary issues, Non state actors incorporating maritime terrorism, piracy, illicit trafficking and environmental pressures on coastal and marine resources. All these add up and are posing significant governance challenges for maritime policy makers in managing the stabilization of the Indian Ocean. Major conclusions derived from the emerging regional scenario could be summarized as:

- a. The issues surrounding the protection and use of the ocean are trans-boundary in nature and require stronger cooperation from all stake holders. Institutional cooperation can create synergy.
- b. In the absence of a viable and all encompassing “Collaborative Security Mechanism” non single country, alliance or coalition has the Potential of managing security and stability of the Indian Ocean.
- c. Creation of regional frameworks and their ability to blend together can address common security concerns impinging on freedom of navigation to legitimate commerce.
- d. Since security and peace are closely tied in one coherent package, they need to be conceptualized inseparably. Confidence building measures among member states can mitigate trust deficit. Resolution of maritime territorial disputes promotes peace and significantly contributes to maritime stability.
- e. Without policy coherence, longevity of participation and significant resources, there is a strong likelihood that maritime security threats comforting the region will further add to the geo-political and geo-economic fragility.

Safeguarding peace and maintenance of stability in the Indian Ocean serves the interest of the countries in this region and is conducive to their efforts at developing their economies and improving the people’s livelihood. However we must be wary of the Extra Regional Forces operating in the Indian ocean also.

The safe guarding of peace and maintenance of stability in the Indian Ocean by the littoral states serves the interest of the developing countries in the region and is conducive to developing economics and improving people’s livelihood.

“You know you never defeated us on the battlefield” said the American Col. The North Vietnamese Co pondered this remark a moment “That may be so “ he replied” but IT is also irrelevant”

Harry G Summers”On Strategy”

Harry Summers account of this verbal exchange between two adversaries reveals the essence of the relationship between National will and the use of military force during the Vietnam war. Although possessing superior military strength, the people of the USA did not possess the collective will to prosecute the war indefinitely. As a result a militarily inferior force achieved its objective of unifying two Vietnams.

The degree of determination with which a nation supports policies of its Govts in peace or war. Simply put how the nations respond to the Govt agenda.

Today, global commons in which one can presume chances of growth are outer space, Maritime, airspace and cyber space.

The common in all these commons and for the past few centuries is Maritime. The great powers that once controlled the high seas assured their strategic ability, regional and global access. Starting from the Greek to the British, the ability to act rapidly against any threat to their own shore lines to when and where they desired to influence coupled with preventing enemies from doing the same. It was only possible with the use of National Will

**At present we see the United States rise, all because of the Maritime dominance and National will.**

## **Finances**

Gentleman "Money makes the mare go" is an apt adage to say the least. All the more reason to collaborate. As power houses in the marine sector are looking for more yard space and quick turn around times, they are also ready and willing to invest in infrastructure development for nations who lay on the routes to international markets. Finances will not be readily available always, however the lure and greed of companies to invest into something productive would always lead the way to financing. It appears from the recent spate of maritime traffic and by the stats available that activity in the maritime sector is on the recovery which in turn has signaled a resurgence in ship building and infrastructure projects. The finance operations in maritime sectors may include transport, exploitation of Marine resources, services, upstream and downstream network. But we have to have these included in a national action plan. Until we have a plan, we cannot talk to somebody for financing the plan.

## **Infrastructure**

Whether it is a lack of transportation, poor electrical grids, variety of other infrastructure failures, these limitations are playing havoc within the global business world. Poor infrastructure can affect a business's ability to convert raw products into manufactured goods ready for dispatch, when we talk of a supply chain or a port chain. We talk of a port chain it is basically talking of a supply chain but at the port. An effective port logistics chain embraces all the global logistics chains that operate through a seaport including different stakeholders involved in the international trade processes such as the importers and exporters, the port authority, the terminal operators, customs, customs agents, transport companies (ground and maritime), freight forwarders, empty container parks etc. The Port Logistics Chain (PLC) faces important challenges for the integration of those supply chain processes and the huge number of public and private stakeholders.

In today's world, the competition in the global market does not occur between companies but between supply chains.

## **Legislation**

Maritime Logistics Laws need to be devised according to International code of conduct for smooth functioning of International maritime collaboration. These laws could be framed out by considering common interests mechanism. International law experts conference could be a starting point in this regard. Conflicts of interests should not be incorporated in the Maritime Logistics Law. By conflict of interest I mean a situation others countries who have common interest in matters whether, political, financial or strategic. Legislation should be crystal clear and not be biased towards the interests of any specific country. We can take lead from the IONS Indian Ocean Naval Symposium in this regard to frame out multilateral forum for maritime logistics collaboration.