

The Malacca Straits as Catalyst for Multilateral Security Cooperation

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Abstract: The Malacca and Singapore Straits are one of the most important maritime chokepoints in the world, linking the dynamic economies in East Asia with the Middle East and Europe. A disruption in the area would devastate trade and impact security relationships. This paper assumes the disruption is caused by a terrorist attack in the Straits and uses this scenario to examine the options available for multilateral cooperation on maritime security issues in the region. It enhances the existing body of literature by specifically looking at the ways three external actors with high stakes in the Straits – the United States, European Union and People’s Republic of China – can contribute to security. Working together on this scenario would not only further the individual interests of these three major players but also provide a foundation for them to cooperate on more sensitive issues in the future. The paper argues that security in the Malacca Straits can best be achieved by these three external actors working together to engage the littoral states in multilateral cooperation.

Keywords: Malacca Straits, maritime security, counterterrorism, multilateral cooperation

1. Introduction

Imagine a sudden and severe disruption of one of the major – if not the most important – trade and energy supply links between Asia and Europe: the Malacca and Singapore Straits (collectively referred to as the Malacca Straits). Imagine it is the result of human action, either intentional or the result of technical malfunction. The impact would no doubt have global reach on many levels: political, security, economic and, last but not least, psychological. The most dynamic economies of the modern world (China, Japan, India) would suffer heavily from sudden shortages but would by no means be the only victims. Are the states that particularly depend on the Malacca Straits sufficiently prepared for such an incident? What would be the impact of such a disruption on global cooperation and, vice versa, how could the global community cooperate to help prepare against such a crisis? With regard to security and regional stability these questions are of particular importance to three major security stakeholders: the United States, the People’s Republic of China, and – the European Union.

This paper assumes a terrorist attack causes the disruption, as it is a plausible potential cause for a major crisis in and around the Malacca Straits. It assumes the attack is devastating enough to severely disrupt or completely halt shipping through the waterway for at least five days. Such a blockage would heavily damage the economic and energy interests, not to mention the security and military concerns, of all three external stakeholders. Yet no one state would be capable of responding unilaterally – even the United States. The Malacca Straits cannot be controlled or governed by any of the three external actors. There is thus good reason for them to cooperate to react to the

situation. They would all benefit not only from better security in the Straits but also from the cooperation itself. Particularly because of the littoral states’ sensitivity to any perceived violation of their sovereignty, carefully non-threatening multilateral cooperation by the three external stakeholders would be most effective and productive.

This paper uses this very distinct scenario as a model of multilateral security cooperation under relatively conducive circumstances. Restricting the study both geographically and topically allows the researcher to develop one plausible path for how the existing dynamics might play out in the future. To maintain a ‘Petri dish’ effect the study does not look at possible external, geo-strategic influences that in reality could hinder cooperation, such as major power rivalries, trade imbalances or human rights in China. This analysis is intended to be an initial step toward further research in such areas as U.S.-EU-Chinese cooperation in other regions or multilateral cooperation for maritime security in Southeast Asia. The strategies for cooperation developed in this project should provide fodder for studies on these larger topics.

Although some argue that the chances a devastating terrorist attack will occur in the Malacca Straits are low, the probable costs make it extremely worthwhile to discuss attack scenarios, develop disaster response plans and work to increase the security and safety of the Straits. This paper looks at the Malacca scenario through the lens of cooperation between the U.S., EU and China because it is a plausible future and a useful analytical tool. Looking at this scenario now, in a period of relative calm and security in the Malacca Straits, facilitates careful and unhasty policy analysis and recommendations for cooperation. Moreover, here there is a clear intersection of interests between these three important external powers, which is not often the case. This paper looks at the Malacca Straits scenario in large part because it offers a rare opportunity to explore plausible options for cooperation between three external actors with little history of working together.

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2. Attack Scenario

The Malacca and Singapore Straits, the 500-mile-long, funnel-shaped body of water running between Indonesia and Malaysia and tapering to a mere 1.5 miles wide at Singapore,² has been the focus of a great deal of attention from the media, security experts and politicians in the last few years. Particularly in 2004-2005 a number of authors highlighted the fact that although governments had improved global aviation security, other transportation sectors remained extremely vulnerable. Maritime security was identified as particularly exposed and the Malacca Straits were deemed a vulnerable target.

There are groups in the region with the motivation and capacity to carry out a devastating maritime terrorist attack. Regional terrorist organizations such as Jemaah Islamiyah (JI) have the resources and know-how to carry out relatively low-tech attacks. Their capabilities for high-tech attacks are more questionable, but since numerous opportunities exist for low-tech operations it is safe to assume the organization could successfully pull off an attack in the Straits. Moreover JI has an anti-West agenda, leading to the conclusion that it would consider a Western military or passenger ship an attractive target. An attack that severely harmed Western trade and shipping would make an iconic political statement similar to that of the Bali nightclub bombing.

As demonstrated by the frequency of piracy incidents against the smaller, less well-guarded vessels that primarily sail between ports within the Straits rather than transiting through, these vessels are the most likely to be attacked.³ For terrorists looking for maximum publicity, a small tanker carrying oil, volatile chemicals or Liquid Petroleum Gas (LPG) would be an attractive option. LPG shares many of LNG's combustible properties but is shipped at a higher temperature on less high-tech vessels. Smaller carriers not only travel more slowly and lie closer to the water surface than the large vessels, but their smaller crews would also be more easily overwhelmed. They are also easier to operate. A second vessel type vulnerable to terrorist attack is a passenger ship such as a ferry or cruise ship. There are a number of ferries and cruise lines operating in the Malacca Straits, the cruise ships with primarily Western passengers. Indeed, "because cruise ships cater to rich, middle-class American and European tourists, these vessels provide the type of high-prestige, iconic target that would likely resonate with extremist Islamist intent and elicit considerable media attention if decisively struck."⁴ Although maritime security experts believe terrorists would not attempt to hijack such a vessel "because of

the numbers of people onboard and likely problems in boarding and seizing control of the ship," they are quite vulnerable to bomb attacks.⁵ Many passenger vessels, especially ferries, have questionable dockside security. Their publicly available routes and timetables facilitate attack planning.⁶ It would be relatively simple, as demonstrated by the *Superferry 14* attack in the Philippines in 2004, to board one of these ships as a passenger and cause an explosion on board. The *Superferry 14* bombing is widely regarded as the most deadly maritime terrorist act in recent history. The crude bomb, made of 16 sticks of dynamite inside a hollow TV, cost less than \$400 to make. It caused 116 deaths and an incredible amount of fear.⁷ Such an attack would not be difficult to mimic. A further scenario is a Malacca-specific twist on the "sink a ship" concept. Because a single sunken vessel in the Straits would not halt shipping traffic, blocking or claiming to block the Straits with mines would be far more effective.⁸ Mines are inexpensive, relatively easy to obtain, and easily deployable.

These three options – small tanker carrying volatile materials, passenger vessel, and mines – represent the three most likely means terrorists would use to carry out an attack in the Malacca Straits. All of these scenarios are logistically simple enough, with high enough probabilities of success, that terrorists might conceivably attempt one of them. This threat should make both littoral and user-state governments stand up and pay attention, as the possible consequences of such an attack would be considerable.

3. Interests in Uninhibited Passage through the Malacca Straits

Each of the three external actors has a strong individual interest in maintaining free, functioning shipping through the Malacca Straits. The possible consequences of this scenario's five-day blockage illustrate just how much an attack could damage these interests. Not only would all three actors have to deal with the consequences to global shipping and trade, but their individual economic, political and strategic interests would also be harmed. This section examines the possible fallout of this crisis scenario.

3.1 Global Shipping

The five-day blockage was chosen because it is long enough to have considerable immediate economic consequences. Any way one puts it, the quantity and value of trade passing through the Strait is extremely high: 50 percent of the world's annual merchant fleet tonnage and 15 percent of the total value of annual world trade;⁹ oil at 15 million barrels per day in

2 Catherine Zara Raymond, "Maritime Terrorism in Southeast Asia: Potential Scenarios," *Terrorism Monitor* IV issue 7 (6 April 2006): 2.

3 As first pointed out by Young and Valencia, it is mistaken to assume a connection exists between the two phenomena. Their motives are very different (economic gain versus political statement), which means that their tactics also differ. Pirates prefer to keep as low a profile as possible so they will not get caught and can continue their activities for as long as possible. Terrorists, on the other hand, hope to attract a great deal of attention and reach a large audience. Furthermore, there is no evidence of any connections between pirates and terrorist groups. However, because the actual method used to attack a ship would be similar it is useful to look at piracy statistics to see where, when, how and against what types of ships attacks have most often been carried out. Adam J. Young and Mark J. Valencia, "Conflation of Piracy and Terrorism in Southeast Asia: Rectitude and Utility," *Contemporary Southeast Asia* 25 no. 2 (August 2003).

4 Chalk, 26.

5 Bateman, Ho and Mathai, 322.

6 Chalk, 25.

7 Chalk, 26.

8 Raymond, "Maritime Terrorism in Southeast Asia," 3.

9 Rommel C. Banaloi, "Maritime Terrorism in Southeast Asia," *Naval War College Review* 58 no. 4 (Autumn 2005):1.

2006;¹⁰ 50 percent of global energy supplies annually;¹¹ more than 1 trillion USD in goods and services annually.¹² Re-routing ships through the Straits of Lombok and Makassar, which pass through Indonesia, would add 3.5 to 4 days to the trip, assuming an average speed of 15 knots (27.6 km/h) for the 2960 kilometers. Smaller ships could take the shorter detour through the shallower, more dangerous Sunda Straits.¹³ Each vessel's additional cost if forced to take a longer route would quickly add up to huge losses for the global economy.

The immediate cost of an extra 4 days' steaming offers a first glimpse at how much money an attack like this would imply for shipping. In 2007 about 3,753 Very Large Crude Carriers (VLCC, the largest size of oil tanker) transited the Malacca Straits, or about 10 vessels per day.¹⁴ At the end of 2007 average VLCC shipping rates skyrocketed from USD 20,000 to USD 200-300,000 per day due to market pressures.¹⁵ Thus, taking USD 100,000 as a conservative average for current VLCC charter rates in the Malacca Straits, 50 rerouted VLCCs would cost about USD 20 million. This number represents simply the extra money VLCC charterers would pay because for five days all vessels, chartered at a fixed rate, had to take a longer route. After a terrorist attack rates would most likely skyrocket and remain high, affecting all shipping in the area for some time. Indeed, "the experience with the closing of the Suez Canal [during the Suez Crisis in 1956] seems to indicate that such a disruption [blocking Malacca] might increase freight rates by as much as 500 percent."¹⁶ This number may be even higher today because of the political and fear factors involved in a terrorist attack. Higher charter costs would reflect the higher insurance premiums and market prices (especially of oil) caused by supply insecurity and delivery vessel scarcity.

In 2005, when the Joint War Committee of the Lloyd's Market Association added the Straits of Malacca to its Hull, War, Strikes, Terrorism and Related Perils Listed Areas, insurers placed a surcharge of 0.01 percent of the value of the vessel, per trip, on ships using the Straits.¹⁷ A year later Lloyd's removed the Straits from the list, but if an attack were to occur a surcharge of at least the same percentage would most likely be re-imposed. In terms of amounts, normally "a tanker owner operating a \$130 million VLCC can expect to pay \$8,900-\$13,300 a day in insurance costs." Because premiums for perilous zones "can climb to

7.5 percent to 10 percent of a ship's value on a per-trip basis," the same VLCC operator would face "between \$8.9 [sic] and \$13.3 million per trip to insure his ship while it was in the danger zone."¹⁸ An actual terrorist attack would confirm the area's high danger risk and likely push premiums toward the top end of this range.

The other major factor that would drive up shipping costs would be the shortage of available extra vessels. If the blockage lasted for some time, shipping rates would quickly rise as each vessel spent more days at sea hauling one cargo load a longer distance than usual. If Malacca were blocked for four days, China for example would need an extra "40 VLCC's worth of spare tanker capacity."¹⁹ There are only about 500 VLCCs in the world; the fleet has very little spare capacity. Vessel shortage would affect shipping rates less than the higher insurance premiums since most countries in East Asia have strategic oil reserves and would not suffer too badly from a short supply delay. Other less time-crucial commodities such as automobiles and textiles would also not suffer much from vessel shortage. Nonetheless, the simple fear of another attack or supply shortages would probably be enough to drive prices up. Prolonged periods at inflated charter rates would mean significant additional costs to operators (and therefore customers).

Another cost would be if a cruise ship were attacked, which would kill the cruise/tourist industry in the area. This would have huge global political implications since most tourists in the Straits come from Western countries.

3.2 China

China's interests in the Malacca Straits can be divided into two general paths: strategic and economic. The strategic "Malacca Dilemma," introduced by President Hu Jintao in 2003, essentially describes Beijing's concern that if the Malacca Straits were blocked, whether by terrorists or a foreign military presence, China would suffer severe trade and energy supply disruptions. About 80 percent of Chinese oil imports pass through the Straits; in 2006 imports from countries in the Middle East totaled almost USD 40 billion.²⁰ Any downturn in energy supply frightens the PRC leadership in Beijing since it "could derail the economic growth on which the Chinese government depends to shore-up its legitimacy and pursue its great power ambitions."²¹ The PRC's naval capabilities are still far from what is needed to unilaterally protect its energy supply lines.²² It must rely on other nations' navies, especially the U.S. Navy's Seventh Fleet, to maintain security in the Straits.²³ The strategic weakness of such reliance is obvious.

18 Gabriel B. Collins and William S. Murray, "No Oil for the Lamps of China?" *Naval War College Review* 61 no. 2 (Spring 2008): 85-86. It appears, however, that Collins and Murray made a mathematical error in their calculations, as 7.5 percent of 130 million is 9.75 million, not 8.9 million. The other calculations appear correct.

19 Collins and Murray, 86.

20 National Bureau of Statistics of China. *China Statistical Yearbook 2007*. www.stats.gov.cn/tjsj/ndsj/2007/indexeh.htm (accessed 25 June 2008).

21 Ian Storey, "China's 'Malacca Dilemma,'" *China Brief* 6 issue 8 (12 April 2006): 4.

22 Cf. Collins and Murray.

23 Marc Lanteigne, "China's Maritime Security and the 'Malacca Dilemma,'" *Asian Security* 4 no. 2 (2008): 148.

10 United States Department of Energy, Energy Information Association, "World Oil Transit Chokepoints," www.eia.doe.gov/cabs/World_Oil_Transit_Chokepoints/Full.html (accessed 07 April 2008).

11 Ian Storey, "A 'Triborder sea' is SE Asian danger zone," *Asia Times Online*, 18 October 2007, http://www.atimes.com/atimes/Southeast_Asia/IJ18Ae01.html (accessed 18 March 2008).

12 Jonathan Gardner, "Strait of Malacca off high-risk list," *Business Insurance* 40 issue 33, 14 August 2006, 25.

13 Mokhzani Zubir, "The strategic value of the Strait of Malacca," *Maritime Institute of Malaysia*, http://www.mima.gov.my/mima/htmls/papers/pdf/mokhzani/strategic-value.pdf (accessed 10 June 2008): 2.

14 Malaysia Marine Department, "Type and Total of Vessel Report to Klang VTS, Year 2007," http://www.marine.gov.my/service/statistik/BKP/report_all_kapal_07.pdf (accessed 11 June 2008).

15 R.S. Platou Economic Research a.s. *The Platou Report 2008* (Oslo: R.S. Platou Shipbrokers, 2008), http://www.platou.com/loadfileservlet/loadfiledb?id=1205311719484PUBLISHER&key=1205499801725 (accessed 11 June 2008): 14.

16 John H. Noer, "Southeast Asian Chokepoints: Keeping Sea Lines of Communication Open," *Institute for National Strategic Studies Strategic Forum* 98 (December 1996): 2.

17 Keith Bradsher, "Terror fears put squeeze on ships in Asian strait," *International Herald Tribune*, 25 August 2005, www.ihf.com/articles/2005/08/24/business/ships.php (accessed 17 April 2008).

To address the Malacca Dilemma, China is trying to secure oil from countries outside the Middle East, find alternative shipping routes for oil coming from the Middle East, contribute to maintaining security in the Malacca Straits, introduce more efficient or alternative energy options like LNG, and modernize the People's Liberation Army Navy (PLAN) to be able to protect its own supply lines in the future. Yet each of these possible solutions is not only rife with political and technical difficulties but also very long-term, with the exception of some measures contributing to security in the Straits. None will greatly decrease China's dependence on the Malacca Straits within the next five years. Beijing is building a 30-day strategic petroleum reserve and calling for larger commercial stocks so it can endure short supply disruptions. This strategic reserve will somewhat lessen China's immediate Malacca Dilemma but will not diminish its long-term interests in the Straits.

China also has significant economic interests in the Malacca Straits. For example, China was the main exporter of steel in 2006, with the USA, Europe and the Middle East the primary importers.²⁴ Virtually all Chinese trade with Europe, the Middle East and Africa passes through the Straits, as does a good deal of its trade with India, Brazil and the east coast of the United States.²⁵ In 2006 Chinese trade with Europe, the Middle East and Africa totaled USD 1.46 trillion.²⁶ The USD 40 billion in Chinese oil imports from the Middle East for that year almost pales in comparison. Furthermore, Chinese nationals frequently conduct business with overseas Chinese in Malaysia and Singapore.

The combined influence of the energy security and trade factors means the consequences of this paper's attack scenario for China would be extreme. Continued discussion of the Malacca Dilemma indicates Beijing does worry about worst-case scenarios, such as an economic downturn forcing the CCP leadership out of power. These possible high consequences apparently outweigh their low probability of occurrence. Moreover, even if the government's leadership remained secure the longer-term commercial consequences caused by inflated shipping rates would strongly impact Chinese trade. Beijing is "hypersensitive to any factors which may disrupt its growing need for regional and cross-regional trade."²⁷ China thus has a strong interest in keeping the Malacca Straits open and safe at all times.

3.3 European Union

The European Union's interests in the Malacca Straits are, unlike the other two actors', overwhelmingly economic. Almost all EU-East Asia trade transits the Malacca Straits, including trade with China, the EU's largest import source. Every shipping route from Europe to East Asia offered by Maersk Shipping, one of the largest container shipping companies in the world, passes through the Malacca Straits.²⁸ Thus more than

21 percent of EU merchandise trade, or about USD 897 million, probably transited the Malacca Straits in 2006.²⁹ An obstruction in the Straits would wreak havoc on this trade. Moreover, because Singapore is the EU's eighth-largest trading partner, with Malaysia and Indonesia at numbers 13 and 20 respectively, an attack in the Malacca Straits would indirectly harm the EU by devastating some of its major trade partners. European investment in the region also drives EU interest in the Malacca Straits. EU ship owners account for almost 10 percent of all freight transiting the Straits. EU energy companies are heavily involved in oil exploration in Southeast Asia. European firms provide armaments and training to the littoral states; in 2005 Singapore hired a Danish company (among others) to build its new Anti-Terror Center.³⁰

The EU also has some security interests in the Malacca Straits, mostly centering on its concern about global terrorism and its prioritization of international maritime security. The European Commission's 2004 communication "A new partnership with South-East Asia" listed fighting terrorism as a top priority in its work with the region.³¹ In early 2006 then EU anti-terrorism coordinator Gijs de Vries said that although the number of acts of piracy in the Straits has decreased, the area is still vulnerable to terrorist attacks: "I think no one is under any illusion: the Straits are a potential target."³² Even before 11 September 2001 the European Commission made the security of sea transport a priority, not only in European waters but globally. This includes, of course, shipping through the Malacca Straits.

Moreover, a few EU member states have particularly strong security interests in the Malacca Straits. Great Britain and France both have a military presence in the region and have made (non-binding) security commitments to some Southeast Asian countries, including Singapore and Malaysia.³³ Great Britain is a member of the Five Power Defense Arrangement, an alliance with Australia, New Zealand, Singapore and Malaysia. France even sent a warship on patrols through the Malacca Straits, with Singapore's permission.³⁴ Germany, although it does not have any direct security concerns in the region, has worked to promote regional confidence building, conflict prevention and cooperation. All military involvement has a marine component and therefore relies at least partially on secure passage through the Malacca Straits.

Because it is neither politically nor militarily as active in Southeast Asia as the other two external actors, the European Union does not demonstrate its concern about the Malacca Straits as obviously as the U.S. and China. However, as discussed above the Union does have significant economic interests as well as

24 R.S. Platou, *The Platou Report 2008*, 19.

25 This is illustrated by the shipping routes offered by the A.P. Moller-Maersk Group, one of the biggest shipping companies in the world. "Route Maps, <http://www.maerskline.com/link/?page=brochure&path=/routemaps/new-network> (accessed 25 June 2008).

26 National Statistics Bureau, *China Statistical Yearbook 2007*.

27 Lantaigne, 149.

28 A.P. Moller-Maersk Group, "Route Maps."

29 European Commission, Directorate General Trade, "Top Trading Partners," http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_122529.pdf (accessed 25 June 2008).

30 Kay Moeller, "Maritime Sicherheit und die Suche nach politischem Einfluss in Suedostasien," SWP Study Paper 35 (Berlin: Stiftung Wissenschaft und Politik, 2006): 24-25.

31 European Commission, *A new partnership with South-East Asia*, Com (2003) 399/4, p. 5.

32 Nancy-Amelia Collins, "EU Anti-Terror Head Urges Vigilance in Malacca Strait," *Voice of America Online*, 2 February 2006, www.voanews.com/english/archive/2006-02/EU-Anti-Terror-Head-Urges-Vigilance-In-Malacca-Strait.cfm (accessed 27 June 2008).

33 Paul Stares and Nicolas Regaud, "Europe Has a Major Role to Play in Asia-Pacific Security," *International Herald-Tribune*, 9 July 1997.

34 Moeller, 24.

some security concerns that produce quite a large overall interest in keeping the Straits secure and open to shipping traffic.

3.4 United States

U.S. interests in the Malacca Straits focus on the health of its major trade partners' economies, its perceived need to maintain military superiority in East Asia and its persistence in the global war on terror. The U.S. would be economically affected by a blockage in the Malacca Straits even though most of the cargo traveling to or from its shores does not actually pass through the waterway. If China, Japan, South Korea and the EU – all top-10 U.S. trade partners – suffered from a blockage, the U.S. economy would also feel the impact. The U.S. would also be affected by the higher shipping rates caused by increased insurance premiums and vessel shortages. Finally, since the blockage would disrupt the flow of oil as discussed above, global oil prices might rise even higher than their current record prices.

In terms of security interests the U.S. wants to maintain its traditional military superiority in the region, including naval preeminence in the Malacca Straits, for various geo-political and geo-strategic reasons beyond the scope of this paper. For example, Secretary of Defense Robert M. Gates spent much of his speech to the 2008 Shangri-La Dialogue, the foremost Track II dialogue on East Asian security, arguing for continued strong U.S. military presence in the region. He said, "The security of all Asian countries – whether large or small – is strongly and positively enhanced by a strong U.S. presence."³⁵ One vital component of this presence is U.S. Navy access to Changi naval base in Singapore, the only base in the region equipped to accommodate the Nimitz-class aircraft carriers and other large vessels of the 7th Fleet.

Second, the U.S. wants to pursue the global war on terror in Southeast Asia. After 9/11 the Bush administration dubbed Southeast Asia the "second front" in the global war on terror. The U.S. Office of the Coordinator for Counterterrorism has praised the three littoral states for their cooperation to increase security in the Malacca Straits. While the littoral states are primarily concerned with combating piracy and armed robbery in the Straits the U.S. emphasis lies clearly on terrorism. Furthermore, the available literature indicates that U.S. experts and governmental officials widely accept the Malacca terrorist attack scenario as a possible threat that should be seriously considered.

The combined influence of economic ties to Malacca, the perceived need for a strong U.S. military presence (which requires uninhibited access through the Malacca Straits) and the continuing war on terror makes the U.S. very interested in keeping the Malacca Straits secure for all traffic.

4. Interests in Multilateral Cooperation

In addition to their interests in keeping the Malacca Straits free to functioning shipping traffic, the external actors also have in-

terests in cooperation itself. These interests may be determined by factors unrelated to shipping traffic, the safety of sea lanes, or even terrorism.

For China, multilateral cooperation would prevent a backlash from ASEAN states concerned about possible Chinese attempts at regional hegemony as well from a United States trying to protect its own regional influence and possibly contain Chinese expansion. By cooperating with other states China could prevent zero-sum mentalities that might lead to balancing or competitive behavior. Moreover, cooperation would allow China to further pursue its current policy of engaging ASEAN states to demonstrate its own good intentions. As a bonus China would probably be able to use cooperation as a way of increasing not only its political and economic but also its military influence in the region, something it has been trying to do for some time.³⁶

Cooperation on security in the Straits is in keeping with the EU's general interest in expanding its influence as a global actor. The EU wants to be not only an economic powerhouse but also a global security actor, as its attempts to formulate a Common Foreign and Security Policy as well as a European Security and Defence Policy attest. Moreover, the EU's general policy of promoting multilateral cooperation pushes it toward cooperation in this paper's scenario as well. The EU's 2003 policy paper on Southeast Asia lists supporting regional stability and the fight against terrorism as the first of six strategic priorities for the region, to be implemented through political dialogue in multilateral fora and cooperation in the fight against terrorism.³⁷ Because terrorism is a global problem affecting all countries and all societies, it is EU policy to encourage cooperation to address this problem.

As U.S. resources are increasingly thinly stretched due to the campaigns in Iraq and Afghanistan, multilateral cooperation will become more and more attractive. The U.S. cannot possibly ensure maritime security all over the globe. It does not have the ships, manpower or other resources to do so. It would benefit from cooperating to achieve those security goals it cannot reach by itself. Moreover, multilateral cooperation would assuage local states' and other powers' concerns about American hegemony and unilateralism. Recent increases in cooperation-focused rhetoric indicate the U.S. government has decided cooperation is in its interests. The title of the naval services' strategy, "A Cooperative Strategy for 21st Century Sea Power," at least indicates Washington's intention to increase cooperation on maritime security.

At their meeting in September 2007 in Jakarta, the Council for Security Cooperation in the Asia Pacific (CSCAP) Study Group on the Security of the Malacca and Singapore Straits noted that the "concerns of the user countries relate mainly to low probability, high consequence scenarios like terrorism, while the concerns of the littoral countries relate mainly to high incidence, high environmental consequences that may occur frequently but attract less attention internationally."³⁸ Indeed, the most recent and successful security initiative to date, the

35 Robert M. Gates, "Remarks As Delivered by Secretary of Defense Robert M. Gates," Singapore, 31 May 2008, <http://www.defenselink.mil/speeches/speech.aspx?speechid=1253> (accessed 30 June 2008).

36 Cf. Lanteigne; Collins and Murray.

37 European Commission, *A new partnership with South East Asia*, 14-15.

38 CSCAP Study Group, 1.

Cooperative Mechanism, deals far more with navigational safety and environmental protection than piracy or terrorism. Even ReCAAP, the other relatively successful cooperation effort, covers only piracy, not terrorism. The three external actors' shared concern about a devastating terrorist attack that damages their international shipping and regional or global security interests, in contrast to the littoral states' preoccupation with everyday security, is a further strong impetus for the three to cooperate.

In sum, not only would all three external actors suffer considerably from a terrorist attack that blocked the Malacca Straits, they also have positive interests in cooperation. All three would face economic problems as shipping rates and therefore the costs of trade increased. All three prioritize the threat of a catastrophic event blocking the Straits over more common risks such as piracy and navigational hazards. The U.S. is primarily concerned about regional military influence and terrorism, the EU about trade and its reputation as a cooperative global security actor, and China about energy security, trade and regional influence. Although the actors focus on different aspects of security, they all have significant interests in cooperating to keep the Straits safe and open. By highlighting these interests, the terrorist attack scenario could act as a catalyst for action on this issue. It should motivate the three external actors to cooperatively engage the littoral states in multilateral security cooperation in the Malacca Straits.

5. Recommendations and Further Research

This paper has demonstrated that multilateral cooperation to improve security in the Malacca Straits is in the interests of all three external actors and would benefit them all in a number of different ways. Not only do opportunities for cooperation exist, some foundations for further cooperation are already in place. The current structures represent the means and methods acceptable to all parties for improving maritime security and countering terrorism and thus indicate where multilateral security cooperation in the Malacca Straits may be strengthened, if carefully nurtured. The recommendations below indicate how such cooperation can and should be built. They incorporate the external actors' interests in keeping the Straits open to all shipping and in cooperation as well as the littoral states' concerns about national sovereignty. However, these recommendations are of somewhat limited use until the larger geopolitical influences this paper has set aside are factored in. The next step for research is therefore a much longer, more extensive study that takes these influences into account.

5.1 Recommendations

Littoral States as Key Actors and Key Partners: The littoral states are extremely jealous of their national sovereignty and sensitive to any actions that might impinge upon it. In order for progress to be made, the littoral states therefore need to be included as the primary actors in any cooperation, with the three external actors in facilitating and supporting roles. The external actors should avoid appearing to "gang up" on the lit-

toral states, instead emphasizing the equal, multilateral nature of the cooperation.

Focus on Capacity Building: All three external actors already conduct some capacity-building program(s) to improve local abilities to secure the Straits. These programs indicate a convergence of strategies between the three external actors. Capacity-building programs would thus be an excellent platform for further cooperation between the three actors – especially since these programs inherently include the littoral states as the primary parties. Capacity building programs on maritime surveillance and interdiction, for example, could be conducted by the external states' coast guards. Other themes could be emergency disaster response, economic development and/or operational compatibility between the agencies responsible for security in the Straits.

Emphasis on a Comprehensive Approach to Terrorism: The EU, China and ASEAN states all place heavy emphasis (at least rhetorically) on involving not only military but also political, economic, legal and social methods to address terrorism. The United States increasingly incorporates these non-military methods into its policy papers as well. Similar emphasis during multilateral cooperation on security in the Malacca Straits would therefore be helpful. In particular, the actors should base their cooperation on the comprehensive approach to counterterrorism outlined by the United Nations Global Counter Terrorism Strategy and elaborated in the relevant ASEAN, ASEM and EU-China/EU-ASEAN/China-ASEAN documents. The external actors should pool their resources to fund and facilitate programs that build on the counterterrorism methods outlined in these documents. For example, they could sponsor or organize programs designed to identify and hopefully alleviate the circumstances that drive people to terrorism.

Develop Existing Multilateral Cooperation Mechanisms: First, the external actors should strengthen their concrete cooperation within the ASEAN Regional Forum, the only regional organization in which all three participate. The forum now incorporates both counterterrorism and maritime security into its regular dialogues and has been a platform for joint military exercises. Although many analysts (and politicians) agree that the ARF is largely a "talk shop-photo op" forum and nothing more, maritime security is one exception to this general rule. In March 2005, for example, Singapore and the United States co-hosted an ARF confidence-building exercise entitled "Regional Cooperation in Maritime Security." Twenty-four participants joined in the exercise, including Malaysia, Indonesia, the EU and China in addition to the two hosts.³⁹ In January 2007 a total of 21 out of 26 ARF members, including the six important for this paper, participated in a shore-based simulated maritime security exercise, the first concrete military exercise ever conducted by the ARF.⁴⁰ The external actors should work together to facilitate more joint exercises, including real-life exercises rather than just simulations. Cooperation should be moved up

39 ASEAN Regional Forum, *ARF CBM on Regional Cooperation in Maritime Security Chairman's Report*, 2-4 March 2005, Singapore, 1.

40 Singapore Ministry of Defence, "Singapore Hosts First Ever ASEAN Regional Forum Maritime Security Exercise," press release, 23 January 2007, http://www.mindef.gov.sg/imindef/news_and_events/nr/2007/jan/23jan07_nr.html (accessed 8 July 2008).

from the current dialogue and consensus building to an operational level. The ARF would also be an excellent forum for hosting the capacity-building initiatives discussed above. Cooperation within the ARF would automatically keep the littoral states in the limelight, since the ARF is an ASEAN institution. Before cooperation within the ARF could take place, however, the United States would need to step up its engagement in the forum.

In addition, the three external actors should significantly increase their cooperative engagement in such institutions as the Southeast Asian Regional Centre for Counter-Terrorism (SEARCCT), the Changi C2 Centre and the ReCAAP Information Sharing Centre (ISC). ReCAAP, a regional maritime security initiative, uses the ISC to coordinate information on ship activity, piracy and armed robbery provided by a designated Focal Point in each country (for example, a contact within the country's Coast Guard, Marine Police, Navy etc.). The Changi Command and Control (C2) Centre, expected to become operational in 2009, will contain the Singapore Maritime Security Centre, the Information Fusion Centre and the Multinational Operations and Exercise Centre (MOEC). The MOEC will facilitate multilateral exercises as well as regional maritime security operations and provide humanitarian assistance or disaster relief should the need arise.⁴¹ Malaysia opened the SEARCCT in 2003. It conducts seminars and training courses to build local capacity and promote information sharing. While the U.S., France, the UK and China have all collaborated with the SEARCCT in Malaysia on some counterterrorism training seminars, most of the activities involve either intra-ASEAN or ASEAN-USA cooperation.⁴² Promisingly, one seminar held in 2005 on the prevention and crisis management of biological terrorism included participants from France, the United States, China, Malaysia, Indonesia and Singapore.⁴³

SEARCCT is thus positioned to support further counterterrorism cooperation but lacks a significant maritime component while the Changi C2 Centre and ReCAAP ISC are strong in maritime security but weak in counterterrorism. The external actors should therefore facilitate cross-communication and cooperation between these three centers, bringing in as many actors with as much expertise as possible. The centers are, moreover, locally based and locally operated but also explicitly multinational and designed for international, multilateral cooperation. They are therefore an excellent forum for the external actors to get more involved in security cooperation in the Malacca Straits without threatening the local states. Strengthening cooperation between these three centers would be a giant step in promoting multilateral cooperation to increase security in the Malacca Straits.

5.2 Further discussion/research

Further examine the littoral states' actual position on trilateral cooperation. Even if the three external actors are careful to keep the littoral states in the center of the action, they might find their attempts to cooperate rebuffed. Malaysia and Indonesia have been highly vocal in protesting outside involvement in Malacca security issues. It is necessary for researchers to thoroughly investigate these two littoral states' positions on external involvement. It may be that they are more open to cooperation with external actors than their public statements suggest. On the other hand, they may also be just as against such cooperation as it seems. In either case the external actors must consider the littoral states' positions and design their policies accordingly.

Extensively study the actual possibilities for cooperation, taking geopolitical challenges into account. As indicated above, there are a number of geopolitical influences this paper does not consider but which would certainly affect any real attempts at cooperation. Yet as this paper has shown, the three actors have very real, very strong interests not only in protecting free shipping through the Straits but also in cooperation in the region. Researchers should therefore conduct an in-depth, long-term study on the realistic possibilities for cooperation, taking into account all identifiable hindrances and developing options for overcoming or avoiding them. Such research should be conducted in close contact with the respective national governments in order to produce as clear and accurate a picture of the situation as possible.

Examine the possibility of including Japan in cooperation. Japan has interests in the Malacca Straits similar to China's. The vast majority of Japanese energy imports passes through the Straits. Although Japan does not seek regional military influence, it does have strong security interests in maintaining regional peace and stability. Moreover, Japan has not only been heavily involved in regional peace- and security-building for many years but also designated a large amount of funds for research and activities in these areas. Japan is thus a regional power with the resources, institutional scaffolding and willpower already in place to support and participate in security cooperation in the Malacca Straits. The possibilities for bringing Japan in as a major cooperation partner should therefore be explored.

Explore EU-U.S.-China cooperation in other regions/on other issues. Cooperation in the Malacca Straits would, hopefully, concretely demonstrate that these three major powers all benefit from working together more than from going it alone. It might also open doors for cooperation on more sensitive issues, such as Taiwan, or in other regions, such as Africa. This expanded cooperation is most likely wishful thinking, given the current geopolitical situation. Yet it is nonetheless extremely important to encourage governments to consider working together on these issues. Further research and discussion on the possibilities for these three global actors to cooperate in other fields would highlight their common or intersecting interests as well as the positive effects of working together. Further research should also carry this idea into wider areas and broader topics to explore the possibilities for trilateral or multilateral cooperation in other fields.

41 Singapore Ministry of Defence, "New Maritime Command and Control Centre at Changi," press release, 27 March 2007, http://www.mindef.gov.sg/imindf/news_and_events/nr/2007/mar/27mar07_nr.html (accessed 8 July 2008).

42 Ibid.
43 Ibid.