# MARITIME PROFILE: THE MALACCA-SINGAPORE STRAITS

## INTERNATIONAL LAW OF THE SEA

The 1982 United Nations Convention on the Law of the Sea (UNCLOS) and its implementing agreements, Part XI of UNCLOS and the 1995 UN Fish Stocks Agreement, form a comprehensive legal regime for all maritime activities. UNCLOS has several key provisions. Firstly, it defines maritime zones, from interior and archipelagic waters, to the territorial, contiguous, and exclusive economic zones (EEZ) of all littoral states. Crucially, the convention also defines the right of navigation and passage. The conditional right to innocent passage for foreign ships in territorial waters is upheld and conditional rights of transit passage are also granted to all ships and aircraft through straits used for international navigation. UNCLOS also forms a basis for maritime peace and security, defining piracy, whilst also setting out a framework for littoral and flag states in relation to the exercising of criminal jurisdiction and cooperation against illicit activities. The convention also forms a framework for the protection, conservation and preservation of marine life, environments and resources.[1]

UNCLOS also established two intergovernmental organisations: The International Seabed Authority and the International Tribunal for the Law of the Sea. The former is responsible for the regulation of activities carried out in the international seabed and ocean floor beyond any limits of national jurisdiction.[2] The International Tribunal for the Law of the Sea is an independent judiciary body and has jurisdiction over any disputes concerning the interpretation or application of the UNCLOS.[3]

Currently, 168 entities, including the EU, are party to the Convention. Non-parties include the landlocked central-Asian states, such as Tajikistan, but also Turkey and Venezuela. The US has signed the agreement but objected to the Convention based upon Part XI. However, it implements much of the Convention based on customary maritime law.

## BUSINESS OVERVIEW

The Straits of Malacca and Singapore are critical chokepoints in global maritime trade as it provides the shortest, and thus most economical, passage between the South China Sea/Pacific Ocean and Indian Ocean. This is of importance to the economies of the nations of east and south-east Asia, such as China, Japan and the Straits' littoral states; indeed 40% of China's total trade and 19% of Japan's total trade in 2016 passed through the South China Seas, with much of it passing through the Malacca-Singapore Straits.[4]

Currently, the Straits are of critical importance in the energy security of the region. The hydrocarbon-dependent economies of Japan, South Korea and China heavily rely on imports through the Straits of Malacca. 40%, or 4.7 trillion cubic feet, of the global liquefied natural gas (LNG) trade passes through the South China Seas, and of this 2.5 trillion cubic feet passes through the Malacca-Singapore Straits.[5]

The region is not self-sufficient in LNG production, as China, South Korea and Japan consume some 3.8 trillion cubic feet between them, thus the unhindered trade flow of LNG through the Straits is critical for these nations. The situation is also similar with regards to crude and refined oil; 16 million barrels of oil per day pass through the Straits of Malacca, which equates to roughly 25% of the world maritime

[1] http://www.un.org/depts/los/convention_agreements/pamphlet_unclos_at_30.pdf; http://www.un.org/depts/los/convention_agreements/texts/unclos/unclos_e.pdf.
[2] https://www.isa.org.jm/authority.
[3] https://www.itlos.org/en/the-tribunal/.
[4] https://chinapower.csis.org/much-trade-transits-south-china-sea/.
[5] https://www.eia.gov/todayinenergy/detail.php?id=33592.


Proelium Law LLP | 35 New Broad Street | EC2M 1NH | + 44 20 3875 7422

oil trade.[6] Singapore is a critical oil refining centre, relying on crude oil from Middle Eastern producers coming east from the Strait of Malacca; over 50% of China's oil imports pass via the Straits, as well as 90% of Japan's total oil imports and 80% of South Korea's.[7] The Straits are also of importance to Middle Eastern nations such as Qatar and the UAE, which export large proportions of their LNG exports through the Straits.

As such, the strategic and economic importance of the Straits is critical as any long-term disruption to the Straits would have consequences for the global economy owing to the potential political and economic fallout in Asian nations.[8] It has been estimated that the monthly cost of rerouting Malacca-Singapore traffic via the Sunda Strait, Lombok Strait or via Australia would equate to US$279 million, US$516 million or US$2.82 billion, respectively.[9]

Numerous projects and new sea lines of communication may reduce the strategic importance of the Straits in future years, many of which are being explored by China in order to diversify their trade routes. A canal across the Thai Kra Isthmus is again being touted as a potential alternate to Malacca, joining the Andaman Sea to the Gulf of Thailand, which would cut up to 1200 kilometres of transit for maritime trade. Nevertheless, the project remains unlikely, despite strong Chinese interest, owing to technical, economic and most importantly severe geopolitical issues.[10] The Chinese financed East Coast Rail Line in Malaysia, however, will reduce reliance on the Straits, albeit it to a small degree. The railway will join Port Klang on Malaysia's West Coast with Kuantan Port on the East, allowing freight to bypass the narrowest areas of the Malacca Strait and the entire Singapore Strait. Melting sea ice is also set to further open Russia's Northern Sea route and the North American Northwest Passage, which would drastically cut the cost and time of shipping between east Asia and Europe.[11]

## AREA OVERVIEW

The Malacca Strait is a 550-mile long stretch of water between the Malay Peninsula to the north and Sumatra to the south. The 65-mile long Singapore Strait joins the Malacca Strait at its southerly end and passes west-east between Singapore to the north and the Indonesian Riau Islands to the south. At its shallowest, the Straits are just 25m in depth, which restricts the size of vessels that may pass through the Straits; the maximum size of vessel that may traverse the passage is known as Malaccamax, a class of Very Large Crude Carrier (VLCC). The Straits are one of the most congested marine chokepoints in the world; the deep-water channel is just 1.3 kilometres wide at One Fathom Bank in the Malacca Strait, and 800 metres wide in the Philip Channel in the Singapore Strait.[12]

The Straits are controlled by the littoral states: Indonesia, Malaysia and Singapore. Major ports on the Straits include Port Klang and Tanjung Pelepas in Malaysia, as well as the Port of Singapore.[13]

The Malacca Straits are one of the world's busiest shipping lanes, with 84,456 commercial transits in 2017 and traffic continues to grow annually. Bulk containerships form 33% of traffic, whilst tankers account for 29% of traffic.[14]

[6] https://www.eia.gov/beta/international/regions-topics.cfm?RegionTopicID=WOTC.
[7] http://www.atimes.com/article/arctic-sea-routes-ease-malacca-strait-security-issue/
[8] https://chinapower.csis.org/much-trade-transits-south-china-sea/.
[9] https://chinapower.csis.org/much-trade-transits-south-china-sea/#easy-footnote-bottom-4.
[10] https://worldview.stratfor.com/article/avoiding-dire-straits-southeast-asia.
[11] http://www.atimes.com/article/arctic-sea-routes-ease-malacca-strait-security-issue/.
[12] http://www.seatrade-maritime.com/news/asia/malacca-and-s-pore-strait-traffic-hits-new-high-in-2016-vlccs-fastest-growing-segment.html.
[13] http://www.iaphworldports.org/iaph/wp-content/uploads/WorldPortTraffic-Data_for_IAPH_using_LL_data_2017_Final.pdf.
[14] http://www.seatrade-maritime.com/news/asia/exclusive-malacca-straits-vlcc-traffic-doubles-in-a-decade-as-shipping-traffic-hits-all-time-high-in-2017.html.


Proelium Law LLP | 35 New Broad Street | EC2M 1NH | + 44 20 3875 7422