

SOUTH CHINA SEA MONITOR



Vol. V, Issue 6 –July 2016

THE ISSUE: Tensions rise as International Court Ruling looms

Ahead of the ruling by the International Court of Arbitration scheduled for July 12, [Chinese Foreign Ministry spokesman Hong Lei](#) said towards the end of June that “I hereby once again emphasise that the Arbitral Tribunal has no jurisdiction over the case and the relevant subject-matter, and that it should not have heard the case or rendered the award.” Beijing maintains that the arbitration was established at the unilateral request of the Philippines and that it has in fact no substantive basis. China has in recent years expanded on its claims over the South China Sea which has subsequently led to a perennial state of tension in the waters.

The arbitration initiated by the Philippines in 2013 was a singular action taken by a littoral country engaged in competing territorial claims with China. Manila maintains that Beijing refuses rights to fishing and exploiting the natural resources of its own exclusive economic zone. China’s assertions are contested by Vietnam, Brunei, Malaysia and Taiwan besides the Philippines. Beijing has also claimed that the International Court of Arbitration has no jurisdiction to rule on the case since China has taken no part in the arbitration process. Instead, the country has declared that the action taken by the Philippines violates international law. Nevertheless, China had undertaken a campaign to win over countries like Africa, Latin America and Southeast Asia to support its stand on the issue. The drive even included a visit to Vietnam (which is one of the most vocal countries against China’s claims) by State Councillor Yang



Jiechi [to implement joint agreements on preventing rows from getting out of hand](#). Beijing has also presented what it terms as [historical facts](#) which corroborate its claims. [In a speech](#) marking the 95th anniversary of the Communist Party, President Xi stated that “Other nations should not expect us to haggle about our core interests or take the consequences of undermining our interests concerning sovereignty, security and development.”

The Philippines, on its part has said that it will accept the ruling, no matter which direction it goes, presenting a more mature and sound approach. Despite the efforts at bringing on board other countries which would back its assertions, presenting historical maps and documents that show the South China Sea as an integral part of China and arguing vociferously about the illegality of the arbitration, chances are that the ruling will not go Beijing’s way. And if and when that happens, Beijing is unlikely to take it in its stride. There are fears that China might react by establishing an Air Defence Identification Zone (ADIZ) over the South China Sea similar to the one it announced over the East China Sea in 2013 and also increase the pace of its land reclamation activities in the waters. If the ruling does go against Beijing, then tensions are set to further intensify.

Recent Commentaries:

Richard Javad Heydarian, “The South China Sea moment of truth is almost here”, *Asia Times*, July 27, 2016

Simon Tay, “On the South China Sea and other contentious issues, Asean must speak with one voice”, *South China Morning Post*, June 29, 2016

Produced and Published by Observer Research Foundation

MEDIA WATCH

MEDIA WATCH June 2016

Taiwan Navy fires missile in error as China's Communists mark birthday

The Taiwan Navy fired a supersonic missile in error and hit a Taiwan fishing boat in waters separating the island from diplomatic rival China on Friday, as Communist Party rulers in Beijing celebrated the party's 95th birthday. The missile did not explode but pierced the boat and killed one Taiwan fisherman, officials said. ([Reuters](#))

China joins U.S. in navy exercises amid rising tensions

A contingent of five Chinese warships is set to sail alongside U.S. and allied vessels when the world's biggest maritime naval exercises kick off — despite rising tensions and occasional standoffs between Chinese and U.S. forces in the increasingly sharp struggle for dominance in the South China Sea. The Chinese navy will be participating in the biennial Rim of the Pacific naval war games for the second time. ([The Washington Times](#))

Will not accept UN tribunal verdict on South China Sea: China

China will not accept any third party settlement with regard to territorial and maritime disputes and reject any ruling by an international tribunal on a case filed by the Philippines over the contentious South China Sea issue, a senior diplomat has said. ([The Economic Times](#))

Indonesia to expand oil exploration, commercial fishing in South China Sea waters

Indonesia's president ordered an expansion of offshore oil exploration and commercial fishing in the waters near the Natuna Islands, the latest in a new campaign to assert sovereignty over the area in the South China Sea. ([The Indian Express](#))

Top Chinese envoy visits Vietnam as tension looms before South China Sea court ruling

China's State Councillor Yang Jiechi arrived in Vietnam on Monday for a scheduled meeting. The trip comes amid a Chinese public relations blitz to try to

discredit a looming verdict by an international tribunal that could aggravate tensions if it undermines Beijing's vast claims to waters extending far into Southeast Asia. ([South China Morning Post](#))

Cambodia not to support decision over South China Sea issue: PM

Ruling Cambodian People's Party (CPP) leader and Prime Minister Samdech Techo Hun Sen on Tuesday said the CPP would not back an upcoming decision over South China Sea, deeming it "the worst political collusion in the framework of international politics". ([Business Standard](#))

US: Senators raise concern over China's actions in East China Sea

Expressing concern over China's recent actions in the disputed East China Sea to "unilaterally raise tensions" in the region, top American senators have said they stand firmly behind US' commitment to Japan's security. ([The Indian Express](#))

Fatah backs China for resolving South China Sea dispute via dialogue

A senior official in Palestinian President Mahmoud Abbas Fatah Party called on the states of South China Sea to resolve their current disputes through dialogue. Abbas Zaki, the Fatah official, who is in charge of the Chinese-Palestinian relations said in an emailed press statement that Fatah movement follows with concerns the difference of the Asian states that overlook South China Sea. ([Xinhua](#))

Jokowi to visit Natuna to inspect progress on South China Sea

Riau Islands provincial administration has received information that President Joko "Jokowi" Widodo plans to visit Natuna, Riau Islands, on Thursday to inspect Chinese trawler Yueyandong Yu 19038, which was confiscated by the local authorities last month. ([The Jakarta Post](#))

US Navy aircraft arrives for training of AFP pilots

A United States (US) Navy aircraft arrived at Clark Air Base in Pampanga on Wednesday for the training with FA-50 aircraft pilots of the Armed Forces of the Philippines (AFP) The newly arrived EA-18G Growler aircraft is part of the first temporary

detachment of the US Navy, according to a report from the US Pacific Fleet. The Growler aircraft will also perform routine operations to enhance regional maritime domain awareness and assure that there is access to air and maritime domains in accordance with international law. ([Philstar](#))

China spy ship shadows U.S., Japanese, Indian naval drill in Western Pacific

A Chinese observation ship shadowed the U.S. aircraft carrier John C. Stennis in the Western Pacific on Wednesday, the carrier's commander said, as it joined warships from Japan and India for drills close to waters Beijing considers its backyard. The show of U.S. naval power comes as Japan and the United States worry China is extending its influence into the western Pacific with submarines and surface vessels as it pushes territorial claims in the neighboring South China Sea, expanding and building on islands. ([Reuters](#))

China voices appreciation for support on South China Sea issue

China Tuesday thanked countries for their support on the South China Sea issue. Sierra Leone and Kenya recently announced their approval of China's stance. The number of countries that support China now amounts to 60. "We appreciate these countries for their understanding of right and wrong and belief in fairness and justice," Foreign Ministry spokesperson Lu Kang said at a daily press briefing. ([Xinhua](#))

Japan protests China's continued gas development in East China Sea

Japan has lodged a protest over China's gas field developments in the East China Sea after confirming the building of new structures at Chinese facilities in the waters despite Tokyo's repeated calls to refrain from such acts, Foreign Minister Fumio Kishida said Thursday. ([The Japan Times](#))

COMMENTARIES

Delhi-Hà Nội Ties: Translating the Vision of Strategic Partnership into Reality

- Rahul Mishra

India's defence minister Manohar Parrikar's recent visit to Vietnam has brought the focus of bilateral ties sharply on strengthening defence cooperation. Taking the bilateral defence cooperation to a higher level, the visit was geared towards enhancing "the defence industry networking, information sharing and exploration of possibilities for partnerships and collaborations between the two countries."

Parrikar held discussions with his counterpart, General Ngo Xuan Lich and also visited the famous 308th Infantry Division. Interestingly, the Indian minister was the first guest of the National Defence Minister of Vietnam since General Lich's appointment in April this year.

The visit followed the landmark visit of US President Barack Obama on May 23-25, 2016. In its efforts to normalise relations with Vietnam and beef up its *Rebalancing to Asia Strategy*, Obama announced lifting of embargo on the sale of lethal arms to Vietnam, which has been in effect since 1984. Japan has also stepped up defence cooperation with Vietnam as it adopts a more active policy of engagement with the region under Prime Minister Shinzo Abe.

The major highlight of the visit was India's decision to sell to Vietnam the BrahMos missile – a short-range supersonic cruise missile developed jointly by India's Defence Research and Development Organisation (DRDO) and Russia's Military Industrial Corporation (MIC NPO Mashinostroyeniya).

In 2011 Hà Nội expressed its desire to acquire the BrahMos. After five years of hesitancy, India's willingness to sell the missile to Vietnam signifies its evolving regional strategic calculations with implications for the region. Amid ongoing territorial disputes in the South China Sea, the induction of BrahMos will strengthen Vietnam's naval capabilities and improved its deterrence against China. Vietnam will be the first country to procure the BrahMos from India.

Exporting BrahMos is vital for India in the context of the Modi government's policy decision to make India a strong player in defence exports. The decision to open the defence sector for cent percent foreign investment will contribute to the 'Make in India' campaign in addition to making India an important player in defence exports. India's recent entry in the MTCR (Missile Technology Control Regime) is also significant in this context. It is noteworthy that India is the largest importer of arms in the world today, with no substantial defence exports.

Vietnam is an important defence partner of India. The two sides have conducted several joint military exercises over the years. Exchange of defence personnel for training in each other's military training institutes is a regular feature now. Vietnam was an active participant in the International Fleet Review held in India in February 2016. In March 2016, Vietnam was a part of India-led Field Training Exercise (FTX), known as Exercise Force 18, themed on Humanitarian Mine Action and Peace Keeping Operations, which was held in Pune.

The exercise has been defined as "an upshot of the sustained efforts by New Delhi in bringing more synergy with ASEAN members and the other seven of the "Plus Eight" ADMM Plus partner countries." Vietnam is also a part of the MILAN exercise coordinated by the Indian navy. In addition to these, there are several joint military exercise modules, spread across the three wings of Indian armed forces and the paramilitary forces, in which Vietnam is an active partner.

In terms of geopolitics, India is stepping up its cooperation with the countries of the region and Vietnam is the fulcrum in India's Act East Policy. India extended a US\$ 100 million Line of Credit (LoC) to Vietnam for the purchase of four offshore patrol vessels during the visit of General Secretary Nguyen Phu Trong in 2013. Earlier during the visit of President Sang in October 2011, Delhi had offered "US\$ 100 million LOC for defence procurement", according to the minister of external affairs.

In September 2014, Indian President Pranab Mukherjee paid a visit to Vietnam, while Indian Prime Minister Narendra Modi is slated to pay his maiden visit to the Southeast Asian country in September 2016. In 2015, Minister of State External Affairs, V.

K. Singh and the National Security Advisor, Ajit Doval were in attendance at the 70th National Day Function, organised by the Vietnamese Embassy in India, which denotes the importance India attaches to Vietnam.

From the Vietnam's side, General Secretary of Communist Party of Vietnam, Nguyen Phu Trong in 2013, and then Prime Minister, Nguyen Tan Dung visited India in 2014. Also, in May 2015, then Defence Minister, General Phung Quang Thanh paid a visit to India and signed a five-year joint vision statement for the period 2015-2020 on defence cooperation and a MoU on cooperation between the coast guards of the two countries.

In 2007, when the then Prime Minister of Vietnam, Nguyen Tan Dung visited India, the relations between the two countries were elevated to the level of 'Strategic Partnership'. The MoU on Defence Cooperation by the Defence Ministers of India and Vietnam was signed in November 2009. Regular exchange of high-level visits is an indication that the relations are moving on the right path.

While the geographical scope of India's Act East Policy has expanded with the inclusion of countries such as Japan, South Korea, Australia and New Zealand, cooperation with CLMV (Cambodia, Laos, Myanmar, Vietnam) countries still remains a high priority area for India with Vietnam at the core of the Act East policy. The relationship is based on the principle of mutual trust and benefit.

India is supportive of the peaceful and steady resolution of the South China Sea dispute. Vietnam has also extended its support to India's bid to permanent membership of United Nations Security Council (UNSC) and membership to Asia-Pacific Economic Cooperation (APEC). India and Vietnam are members in several regional and sub-regional institutions of significance, which adds more substance to the relationship. East Asia Summit, ADMM (ASEAN Defence Ministers Meeting) Plus and Mekong Ganga Cooperation bind them together.

Mutually overlapping strategic visions and commonality of interests influence India's Vietnam policy and vice versa. China's unprecedented rise has posed several challenges to the existing strategic equilibrium and both countries are striving to cope with that challenge. China's ever-increasing

assertiveness vis-à-vis its territorial disputes is making its neighbours apprehensive of its 'peaceful rise/development' and compelling them to seek trans-regional cooperation so as to maintain peace and stability in the region. For example, Vietnam welcomes extra-regional powers such as the United States, India and Japan to counterbalance China's assertive behaviour in the region.

Recent developments in India-Vietnam relations, in general and Parrikar's visit, in particular suggest that India is taking necessary measures to step up its strategic cooperation with Vietnam. Parrikar's visit has worked as a prelude to the forthcoming visits of India's Minister of External Affairs, Sushma Swaraj and Prime Minister Narendra Modi which would further substantiate the robust partnership between India and Vietnam.

Rahul Mishra, PhD, is a Research Fellow at the Indian Council of World Affairs (ICWA), New Delhi. Views expressed are personal and do not represent the views of ICWA.

Rebalancing with India: Safeguarding the Indo-Pacific Maritime Region

- Sarosh Bana

The Indian Navy's (IN) Eastern Fleet deployment of an armada into the Western Pacific last May for a period of two and a half months is a demonstration of the reach and commitment of the Look East-Act East policy of the Indian government led by Narendra Modi. Addressing the US Congress on 8 June 2016, Prime Minister Modi responded to US President Obama's overture to India for a strategic partnership in balancing the rise of China, affirming that strong links between the two democracies could anchor peace, prosperity and stability from Asia to Africa and from the Indian Ocean to the Pacific. This can also help ensure security of the sea lanes of commerce and freedom of navigation on seas.

The allusion was clearly to China which is also keen on furthering its interest in the Indian Ocean Region under the framework of its Maritime Silk Route that entails development of a "string of pearls" or ports essentially encircling India and a logistics base in Djibouti.

Chinese Shadowing of Malabar

The two and a half months deployment to the South and East China Seas involved the participation of two guided missile stealth frigates, fleet support ship and an indigenous missile corvette in the joint Malabar naval exercise in the Western Pacific with a US aircraft carrier and Japanese warships. The harbour phase of the exercise, designed to enhance dynamic cooperation among the participant navies, was held from 10 to 13 June at the US Fleet Activities Sasebo naval base in southern Japan, while the sea phase of Malabar 2016 was held from 14 to 17 June in the Pacific Ocean.

The IN affirmed that in addition to showing the flag in this "region of vital strategic importance to India" its Eastern Fleet Squadron will also make port calls at Cam Ranh Bay in Vietnam, Subic Bay in the Philippines, Busan in South Korea, Port Klang in Malaysia and Vladivostok in Russia, apart from Sasebo in Japan. This deployment will also conduct PASSEX, Passing exercise, with each of the host navies, with the aim to strengthen bilateral ties and enhance interoperability.

The Malabar has been conducted almost yearly since 1992 by the Indian Navy and US Navy, alternately off India and in the Western Pacific, but the Japanese Maritime Self-Defence Force became a partner from the 19th edition of the joint drills held last year off India's eastern seaboard. China expressed "concern" at Japan's involvement in Malabar in 2015 and again when the combatants of the IN, JMSDF and USN held their sea phase of Malabar 2016 in a part of the Pacific which Beijing regards as its territorial waters. A Chinese surveillance ship trailed the 100,000-tonne US aircraft carrier John C Stennis.

Perceived to be equipped with a high technology radio signal gathering and processing system, the surveillance ship of the PLA that shadowed the Malabar exercise was the same Dongdiao class (Type 815) vessel that had trailed RIMPAC 2014, the largest maritime warfare exercise held annually around Hawaii and southern California by the US Pacific fleet.

Ironically, China, on the invitation of the US had participated for the first time that year in this multinational event that had been conducted since 1971, sending a missile destroyer, missile frigate, supply ship and hospital ship.

Chinese officials maintained that their scout vessel was within its right to operate in the region. By conceding, and not impeding, Beijing's right to conduct electronic surveillance from within Hawaii's exclusive economic zone (EEZ), the US was seeking reciprocity from China so as to dissuade it from obstructing vessels in waters off its coast.

China's military posturing challenges the US; it sees US pivot as an attempt to curb Chinese influence across the region. China has nevertheless confirmed its participation in RIMPAC 2016, the 25th edition taking place from 30 June to 4 August, involving 45 ships, five submarines, more than 200 aircraft and 25,000 personnel from 27 nations. RIMPAC provides training opportunities that help foster collaboration in ensuring security of the maritime commons.

China is intent on raising its profile to buttress its suzerainty over the sea lines of communication (SLOC) that are critical for the entire Asia-Pacific community. It is towards this end that it has been creating and militarising the reefs in the South China Sea to further its access to marine resources and also extending its blue water presence through the establishment of a major surface fleet and nuclear submarine base on Hainan island, and through deploying precision cruise and advanced ballistic missiles that can target all US bases and naval forces in the region.

US Seeks Indian Support for Rebalance

India's long coastline of 7,600 kms abuts on the Arabian Sea, Bay of Bengal and Indian Ocean, with its island enclaves Andaman & Nicobar closer to Myanmar, Thailand and Indonesia than to the Indian mainland. With 66 percent of global oil, 50 percent of global container traffic, and 33 percent of global cargo trade passing through the IOR, which stretches from the Persian Gulf to the Malacca Straits, the IN is tasked with securing the sea lines for global maritime movement.

New Delhi is mindful of Washington's keenness to marshal India as the power that can tilt the strategic balance by checking Beijing's maritime assertion. Ultimately all three countries will define the strategic dimension of their maritime influence.

The US, which has been a Pacific power for centuries, has enunciated a rebalance of its maritime assets that

will relocate 60 percent of the US naval fleet, up from 50 percent today, to the Asia Pacific region by 2020. It is within its rebalance initiative that the US looks to Indian support, both political and military. Both sides have underscored the strategic significance of their defence ties and also highlighted the growing strategic convergence between the US rebalance and India's Look East-Act East policy which seeks to intensify New Delhi's role in an Asia that is in the epicentre of the historic transformation of the world today.

Role of Indian Ocean Rim Association

In this regard, Indonesia's chairmanship of the Indian Ocean Rim Association (IORA) for two years from last October assumes significance as this world's largest archipelago of 17,508 islands and a population of 257 million pledges to enhance regionalism across the littoral. For the third time this year, on 17 June, the Indonesian navy challenged Chinese fishing trawlers operating within the 200-nm EEZ surrounding the Natuna Islands. Though the Natunas are located at the edge of the South China Sea nearly 2,000 km from the Chinese mainland, China's foreign ministry views the area as "traditional Chinese fishing grounds", pointing out that the two countries have "overlapping claims for maritime rights and interests" in these waters.

With Indonesian President Joko Widodo declaring his country a "global maritime axis" at the crossroads of the Indian and Pacific oceans, Jakarta is affirming its strategic maritime position as the cornerstone of its foreign policy.

Established in 1997, IORA comprises 21 coastal states bordering the Indian Ocean, including India, and lists China and the US amongst its seven dialogue partners. Indonesia will need to leverage its leadership to bring a consensual focus within the grouping that has a charter rambling across 'maritime safety and security', 'disaster risk management', 'trade and investment facilitation', 'academic, science, technology', 'fisheries management', 'tourism and cultural exchange', and even 'gender empowerment' and 'blue economy development'.

It will need to raise the perception that the Indo-Asia-Pacific is big enough for all.

Sarosh Bana is Executive Editor, Business India.

Source: *RSIS*

RECENT PUBLICATIONS

COMMENTARIES

John J. Tkacik, “The Emperor’s Mysterious Map and the South China Sea”, *Taipei Times*, June 27, 2016

Timothy R. Heath, “South China Sea Spat a Symptom of U.S.-China Jockeying for Advantage”, *World Politics Review*, June 27, 2016

Amelia Long, “Something’s gotta give: Indonesia’s policy options in the Natunas”, *The Strategist*, June 24, 2016

David A. Welch, “China’s Curious South China Sea Negotiation Policy”, *The Diplomat*, June 24, 2016

Feng Zhang, “The Fight Inside China Over the South China Sea”, *Foreign Policy*, June 23, 2016

Emanuele Scimia, “Is Russia entering the fray in the East China Sea?”, *South China Morning Post*, June 19, 2016

Tuan N. Pham, “South China Sea: A Legal Analysis of China’s Maritime Claims”, *The Diplomat*, June 16, 2016

Hannah Beech, “What a Retracted Statement Says About China’s Growing Power in the South China Sea”, *Time*, June 15, 2016

Jane Perlez and Chris Buckley, “U.S. and Beijing Offer Competing Views on South China Sea”, *The New York Times*, June 7, 2016

Robert Beckhusen, “China’s New South China Sea Weapon: Super Coast Guard Ships”, *The National Interest*, June 1, 2016

Editor: K. Ybome

Associate Editor: Pratinashree Basu