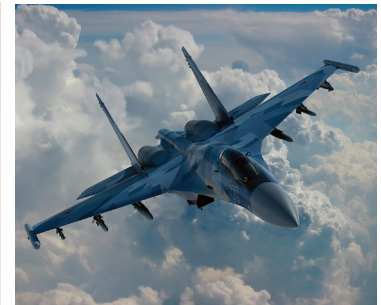




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China's efforts to purchase a new generation of fighter jets from Russia suggest more "fly-bys" and standoffs in the South China Sea.

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**In a Fortnight**

By David Cohen

**CHINA PUSHES "SILK ROAD" REGIONAL TRADE ON TWO FRONTS**

China's top two leaders went to Southeast Asia last week with a message of regional economic integration, promising to build a "maritime silk road" (*haishang sichou zhi lu*) across the South China Sea (China News Service, October 3; Ministry of Foreign Affairs website, October 9). A new slogan, it echoes President Xi Jinping's proposal for a "silk road economic belt" last month in Astana (for more on this, see "China and the SCO: Dead Wood but a Good Platform" in this issue of China Brief), and seems to betoken an effort to deemphasize territorial differences in favor of trade, inaugurating what Chinese statements describe as a "diamond decade" for China-ASEAN relations including cultural exchanges and goodwill as well as trade (Xinhua, October 7).

Xi's speech described three elements of the maritime silk road: "macroeconomic coordination," cooperation on financial regulation and the establishment of an Asian infrastructure development bank (Sinotf.com, October 8). Of these, no specifics have been released on the first two, while the third seems to be an extension of the China-ASEAN Investment Cooperation Fund established by Wen Jiabao in 2009. Much like Xi's Silk Road Economic Belt, the maritime silk road seems to be a statement of intent more than a proposal, an effort to further expand what is already a major trading relationship. A statement issued at the China-ASEAN summit set a goal of doubling annual trade to \$1 trillion per year by 2020 (Xinhua, October 10).

The phrase “maritime silk road” is not new—it describes a historical trading system along the coast of Asia and is commemorated by a number of monuments in Chinese port cities—but the current use has not previously been seen at a high level. It appears to have been first used during this administration by Premier Li Keqiang in early September at a trade show in Guangxi province, one of China’s poorest. Speaking there, he described ASEAN trade as an opportunity to develop Guangxi and its neighboring provinces as part of a “southwest corridor to the sea,” framing it as part of his drive to continue the legacy of reform and opening (Xinhua, September 4). The phrase has occasionally been used in the context of economic development in Guangxi, as in a 2010 *People’s Daily Overseas Edition* article on the opening of the Guangxi Beibu Gulf Economic Zone (August 5, 2010).

Chinese statements have also tied the maritime silk road to China’s strategy for dealing with the South China Sea and world trade; but as with most Chinese policy, it needs to be read in the context of domestic economic planning. Since coming into office, both Xi and Li have made repeated calls to spur growth by “deepening reform and opening,” evoking the legacy of reformist leader Deng Xiaoping. While the most dramatic changes are likely to come from internal reforms, Li’s Guangxi speech described the trade push as a resumption of “opening” (*kaijifang*). Expanding China’s overseas markets will no doubt help the country’s economy weather the competitiveness lost in reform.

However, the trade push has an equally or more important strategic dimension. The Ministry of Commerce website describes it mainly with republished Xinhua stories, suggesting that it has not yet done the work of creating actual proposals (MOFCOM website, accessed October 10). A explanation given by Foreign Minister Wang Yi puts the term in a strategic context, explaining that the speech is “a historic new starting point” for bilateral relations between China and ASEAN countries. Wang highlighted relations with Indonesia and Malaysia as “comprehensive strategic partnerships,” saying that they had agreed to meet regularly with China “to strengthen the top-level design of bilateral relations” (Xinhua, October 9).

On the South China Sea—the main irritant in China’s relations with Southeast Asia—Xi said little of substance, but put heavy emphasis on conveying peaceful intentions: “China and the ASEAN countries should put territorial

and maritime differences in storage and focus on respectful and peaceable consultation, the principle of friendly dialogue and peaceful resolution of the disputes, in order to preserve regional peace and stability” (Radio France International Chinese service, October 3). Instead, he stressed what he called a history of friendly people-to-people ties, in his most widely-distributed soundbite quoting an Indonesian proverb to say that “It is easy to make money but hard to replace friends.” Li addressed the issue at slightly more length in a written interview with regional media, saying that “China is ready to actively discuss with ASEAN countries the signing of a treaty on good-neighborliness, friendship and cooperation to consolidate the political foundation for our strategic mutual trust,” but did not suggest plans for addressing the territorial dispute beyond keeping to the Declaration of Conduct and continued negotiation on a Code of Conduct for the sea (MoFA website, October 9). Both leaders, as well as Wang’s comments, focused on bilateral relations, suggesting that they remain reluctant to involve China in multilateral dispute resolution, where it would be at a relative disadvantage.

Nor did China’s foreign ministry report any progress on relations with Japan, dismissing Japanese reports of a handshake between Xi and Japanese Prime Minister Shinzo Abe as “meaningless” (Bloomberg, October 8). However, Chinese foreign policy experts quoted in official media widely described the South China Sea territorial issues as secondary, arguing that “the mainstream of the relationship is friendship, cooperation, and development,” and that “the maritime silk road is a bright spot in South China Sea policy” (China News Service, October 9; China Net, October 4). China’s leaders may be hoping to return to Deng’s strategy for handling territorial questions—avoiding concessions while putting off resolution until circumstances strongly favor China.

A third possible use of the maritime silk road concept is to present an alternative to the Trans-Pacific Partnership (TPP) free trade agreement, currently being negotiated by the United States. It is clear that the TPP negotiations have made China uncomfortable, wanting neither to meet the requirements of the proposed deal nor to be left out of a trading zone. Coverage in Chinese media has focused on problems and shortcomings, with stories in recent weeks warning that the agreement will destroy the Vietnamese footwear industry, drive up the price of

medicine in ASEAN countries and that the negotiations are “crippled by inherent problems” (CCTV, October 8; Xinhua, September 20, October 7). However, official statements have avoided condemning the TPP. During the Bali summit, Deputy International Trade Representative Yu Jianhua said that “China is open to all kinds of regional cooperation mechanisms—all roads lead to Rome” (MOFCOM website, October 10). In response to a question about the TPP, however, he offered both praise and mild criticism, remarking that “Free trade agreement negotiations should not be closed up and work separately, but be open and conducive to each other and realize a final integration.” No authoritative source has drawn a parallel between the maritime silk road and the TPP, and indeed few stories in official media have mentioned them together at all. Without concrete offers attached to the “maritime silk road,” it is hard to see how this slogan might make the TPP less attractive—and indeed, China’s softer tone and emphasis on cooperation may convince ASEAN nations that they can have both.

#### POLITICAL SCANDAL IN TAIWAN GOOD REASON TO FOCUS ON OPPOSITION’S PLANS

With Taiwanese President Ma Ying-Jeou’s approval ratings at record lows following another scandal—one poll held in late September show that only 9.2% of Taiwanese voters approved of his administration—it is more likely than ever that the opposition will win the 2014 “seven in one” elections, taking control of many lower and middle levels of government (*Taipei Times*, October 30). Policymakers in both Washington and Beijing should be ready to deal with an empowered Democratic Progressive Party (DPP), which has been in opposition since 2008.

The most recent scandal grew out of an effort to oust an intra-Party rival of President Ma, Speaker Wang Jin-pyng of the Legislative Yuan. Wang appeared in wiretaps as part of a criminal probe of DPP legislator Ker Cheng-Ming by the Special Investigations Division (SID), a police body charged with investigating corruption among high officials. While the investigation was still active, Ma announced the evidence in a press conference, using his role as head of the ruling Nationalist Party (*Kuomintang*, or KMT) to have Wang thrown out of the party—which, in Taiwan’s electoral system, would deprive him of his seat in the legislature. However, Wang filed suit and

successfully regained his membership by court order. The scandal has led to widespread accusations from both the DPP and Wang’s KMT allies that Ma is abusing his power over both the party and the police, and revived suspicions of politically motivated investigations by the SID, which conducted the corruption investigation that led to the imprisonment of former DPP President Chen Shui-bian and many of his allies (*Taipei Times*, October 6).

The Ma-Wang rivalry is driven by differences on both legislative tactics and cross-straits relations, with the evident breaking point being a vote on the Cross-Strait Agreement on Trade in Services. Following DPP criticism of the agreement, Wang agreed to allow the agreement to be broken up into votes on several sections, over the objections of the President. The scandal may further delay ratification of the agreement, as the DPP has canceled a televised debate, citing the “constitutional crisis” (DPP website, September 13).

A DPP victory would not necessarily mean a return to the series of crises that marked the term in office of Chen Shui-bian. First of all, Ma and his party will remain in control of the presidency and national legislature through 2016, barring Ma’s impeachment or a vote of no confidence in Premier Jiang Yi-huah, which could lead to new legislative elections. Although DPP Chairman Su Tseng-Cheng has called for both impeachment proceedings, Wang, the chief of the legislature, has shown no signs of agreeing, and with a majority in the legislature the KMT is unlikely to accept new elections at a strategic moment for its rivals (DPP web site, September 15; DPP statement at press conference, October 10).

Secondly, the DPP has committed itself to avoiding provocative gestures in an effort to deal with an issue it views as its Achilles’ Heel. Chairman Su has orchestrated a campaign over the last year to develop new policies on mainland relations and national defense in an effort to reassure both the Taiwan public and Washington that it can serve as a governing party without further cross-straits crises. In a June “Blue paper on national defense,” the party promised to raise defense spending to 3% of GDP and make arms purchases from the United States a priority, both policies that U.S. representatives have encouraged (for more this, see “The Democratic Progressive Party’s Defense Policy Blue Papers and the Opposition’s Vision for Taiwan’s National Defense,” in

*China Brief*, Vol. 13, Issue 17). However, the blue paper did not specify how the additional money would be spent, nor offer a solution to the recruiting crisis associated with Taiwan's transition to an all-volunteer military (See "The Democratic Progressive Party's Defense Policy Blue Papers and the Opposition's Vision for Taiwan's National Defense," and "A Tale of Two Volunteer Programs," in *China Brief*, Volume 13, Issue 17). Su has also convened a series of meetings to establish a new China policy for the party (See "Charting Course for 2014 Elections, Taiwanese Opposition Debates China Policy," *China Brief*, Volume 13, Issue 18).

As of the most recent meeting of the DPP China Affairs Committee, on September 26, the discussion appears to be going in circles, with advocates of Frank Hsieh's "Two sides, two constitutions" formulation arguing that it can be the basis for talks, while other wings of the party argued that talks can begin from the idea of Taiwanese independence as long as the party promises not to rename the island from Republic of China to Republic of Taiwan (*Taipei Times*, September 27). The various sides, however, seem to agree that cultivating a relationship with Beijing is desirable.

If Ma emerges from the scandal as a crippled leader, it will pose a considerable challenge to Beijing: On the one hand, Beijing has made limited efforts to engage DPP leaders informally in recent years, evidently hoping to maintain the trend toward cross-strait economic integration in the case of a DPP president. On the other hand, Beijing strongly prefers having a KMT counterpart in Taipei, with Ma their strongest hope in decades for "politics talks" on reunification—which Chinese President Xi Jinping argued were long overdue during a meeting. Beijing has good reason to prepare for a DPP presidency, but if it allows the DPP to demonstrate that it can deal with the mainland, it risks depriving Ma of his strongest remaining political advantage.

Speaking on Taiwan's National Day on October 10, Ma played up this advantage, describing good relations with the mainland as the foundation of economic growth, and as a prerequisite for the free-trade agreements his government has recently negotiated with several third-party states. However, he also sought to defray suspicions that he plans to discuss unification with the mainland, saying that he had persuaded Beijing to delay talks about

sovereignty in favor of cooperation on trade (*Taipei Times*, October 11).

A weakened Ma is unlikely to be able to deliver political talks—and may yet be unable to win approval for the services trade agreement. If so, Beijing may have reason to reconsider its options.

*David Cohen is the editor of China Brief.*

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## The Relevant Organs: Institutional Factors behind China's Gulf of Aden Deployment

By Andrew Erickson and Austin M. Strange

Numerous institutional factors have driven and incentivized China's participation in antipiracy operations in the Gulf of Aden. Central to executing China's first instance of protracted Far Seas naval operations has been inter-agency coordination among the People's Liberation Army Navy (PLAN) and other military and civil units and agencies. Beginning in 2008, Gulf of Aden operations have been designed and supported by an increasingly flat network of civil and military organs that collectively decide strategies, design and implement policies, and provide rear area support for the PLAN's anti-piracy operations. This article will identify the main actors in this process, survey the gains achieved to date, and explain what these developments mean for broader Chinese military development.

### The Institutional Genesis of Chinese Anti-Piracy

Given its flourishing ocean economy, China's naval deployment to and sustained presence in the Gulf of Aden can be explained partially by economic incentives. Politically, Beijing felt compelled to avoid being seen as impotent compared to other large—and not so large—states. Finally, as viewed within China's highest policy-making circles, deploying PLAN vessels implicitly allowed China to begin what many civil and military leaders viewed as the next phase in China's twenty-first-century military modernization. In addition to these strong incentives, a perceived lack of cost-effective alternatives for addressing piracy on the Far Seas ultimately pushed

Beijing to send PLAN forces to protect its interests.

One of the most thorough accounts available to date of the genesis and initial stages of the missions documents that it took nearly a year to decide finally to send PLAN forces through the Indian Ocean to the Horn of Africa (Huang Li, *Sword Pointed at the Gulf of Aden*, p. 174). One dimension of the internal debates over piracy related to the aspirations of China's public and leadership to see their nation become a great power in the twenty-first century. The "China dream" articulated by General Secretary Xi Jinping in early December 2012 has resonated throughout the Chinese bureaucracy, reflecting official and public desires for national rejuvenation (Xinhua, December 2, 2012). As Daniel Hartnett recently wrote, one component of this revival is the "Dream of a Strong Military" (*qiangjun meng*) (See *China Brief*, Vol. 13, Issue 17). Indeed, in recent years China's "perfect record" of anti-piracy patrols has been repeatedly celebrated in Chinese official statements, scholarship and media.

As early as May 2012 associates at the Navy Military Studies Research Institute and the PLA National Defense University (NDU) began discussing escort feasibility. Representatives from the Ministry of Foreign Affairs (MoFA), Ministry of Transportation (MoT), and the Headquarters of the General Staff of the PLA, as well as various experts, began convening in mid-October 2008. Captain Xing Guangmei, director of the World Naval Research Division, director of the Legal Research Office (*falü yanjiushi*), and a research fellow at the Navy Military Studies Research Institute (*haijun xueshu yanjiusuo*), played a significant role in deployment policy formulation. Beginning in October 2008 she and her team were presented with several policy questions: "What kind of military operations are military anti-piracy operations? [Is one] able to dispatch troops [to conduct anti-piracy operations]? What will military personnel do [once] deployed? If during the voyage [warships] do not [successfully] save ships victimized [by piracy], [then] what kinds of responsibilities will warship commanders bear? What to do if [Chinese forces] enter Somali territory?" [1]

China also faced the central issue of deploying forces independently rather than under the aegis of a preexisting multilateral mechanism. Given uneasiness on both sides regarding security concerns and familiarity, however, it was

never likely that Beijing would integrate itself into one of the prevailing transnational mechanisms such as U.S.-led Combined Task Force (CTF)-151, NATO-commanded Operation Ocean Shield (OOS), or EU NAVFOR (Atalanta). The reality that unilateral involvement would be the only feasible option for the PLAN under prevailing circumstances may explain the surprisingly quick and effective coordination observed between China's MoT, MoFA, and the PLAN, all of which cooperated with unusual speed in late 2008 to craft a framework for the PLAN's anti-piracy deployment and thereby establish an operational foundation. A symposium held by these three entities, as well as the Ministry of Commerce, in early December, further formalized the policy process.

In November 2008 the Central Military Commission (CMC) overwhelmingly approved the proposal. [2] It is important to note that Beijing did not deploy military units in the Gulf of Aden until the United Nations Security Council adopted in 2008 three resolutions specifically authorizing the international community to intervene in Somali waters. Colonel Yang Yujun, deputy director of the Information Affairs Office and spokesman for the Ministry of National Defense, cited the resolution's authority in December 2012: "Based on this resolution by the UN Security Council, escort vessel formations by the Chinese Navy will continue to fulfill escort tasks in the Gulf of Aden and the waters off of Somalia" ("Ministry of National Defense: The Chinese Military Will Provide Security Support for the Maritime Law Enforcement Activities of the State," MoD website, December 27, 2012). The continuation of the PLAN's Gulf of Aden deployment still rests legally on Security Council resolutions authorizing states to combat piracy along the Somali coast. But Chinese officials, scholars and other experts have offered disparate opinions on the legal basis for China's rules of engagement vis-à-vis pirate confrontations. Lawyers like Xing take a strict view in which pirate motives must be—according to international law—purely economic rather than political or ideological, for states to have a legal basis for combating them. There is even less consensus as to if and how China's navy should detain and process captured pirate suspects on the Far Seas. As a result of considerable uncertainty over the robustness of domestic and international law, or what many scholars refer to as gray areas, policies towards pirate confrontations are markedly conservative.

To be sure, PLAN rules of engagement do permit some action. Pirates often ignore initial verbal and visual warnings not to approach civilian vessels, thereby requiring PLAN personnel to fire flares and sometimes even warning shots. According to You Ji, “by the end of the first two years of the mission, the escort fleet had engaged pirates twenty-one times with live fire and thereby saved thirty commercial ships.” The deputy head of the ninth task force’s special operations unit reportedly “disclosed that his sailors were under a three-second firing-readiness order.” [3] A 2010 article in *Modern Navy* defended China’s restricted approach: “According to international laws and relevant laws and regulations, the Chinese navy’s operations are both practical and effective, as well as reasonable, measured, and backed by evidence; [while] driving away pirates, making ample preparations, [developing] scientific policy, [having] effective command, and moving quickly [allow the PLAN] to play an effective deterrent role” (*Modern Navy*, January 2010, 24-27).

### “Behind the Curtain” Anti-Piracy Escort Institutions

Since the first deployed PLAN vessels—Wuhan, Haikou, and Weishanhu—left Sanya Port in Hainan Province for the Gulf of Aden in late December 2008, arrangements for successive PLAN escort task forces have become increasingly institutionalized and provide an unusual example of well-coordinated Chinese government action across ministries. From the outset, the PLAN’s Gulf of Aden missions have been managed jointly by the MoT, MoFA, and the PLAN (*Liberation Army Daily*, 4 July 2012). This sharing of responsibility among government organs requires considerable coordination. The MoT essentially plays the important role of coordinator, matching foreign commercial vessels with PLAN warships, otherwise unavailable to them (*Sanlian Life Weekly*, January 16, 2009). It solicits applications from foreign merchant vessels desiring PLAN escort services and proposes an escort to the task force. Once the PLAN has finalized its plan, the MoT guides the merchant ships to the point at which they are to meet the PLAN escorts. It also helps coordinate and plan port visits for refueling and replenishing in foreign countries, as well as official onboard exchanges between Chinese crewmen and their counterparts. During an insightful January 2009 interview, MoT official Ju Chengzhi emphasized the inter-agency nature of escort command, stating that the PLAN is in primary command of the escorts while the MoT

coordinates and cooperates with the Navy. The command system used is an “information chain cycle” (*xunbuan de xinxiilian*), essentially a flexible information-sharing apparatus that facilitates inter-agency coordination and rapid decision making, between the MoT and PLAN, PLAN and individual warships, warships and commercial ships, and commercial ships and the MoT (*Sanlian Life Weekly*, January 16, 2009). Meanwhile, MoFA, in addition to its assistance in planning, policy and public relations, almost certainly helps coordinate logistical components of the missions such as foreign port calls.

There is also evidence that the MoT plays also a role in stimulating antipiracy cooperation between China and other states, as well as handling press releases. In August 2011 it cohosted with the Maritime and Port Authority of Singapore a conference entitled “Partnerships against Piracy off the Coast of Somalia.” Several Chinese and foreign media outlets have cited announcements by MoT spokespeople of the departures and return journeys of escort task forces (DefenceWeb, July 5, 2011). MoT officials are typically present during videoconferences between escort task forces and military leaders in China, such as a when in January 2011 Wu Shengli and other naval officials thanked the PLAN escort forces in the Gulf of Aden for their service (*People’s Navy*, February 1, 2011).

Operationally, Chinese anti-piracy operations require considerable synchronization among military and civil agencies. To mitigate inefficiencies stemming from vertical, asymmetrical information flows between various government and military agencies, China’s navy adopted for this effort a flat command structure in which CMC orders can be passed directly to vessels on duty rather than through fleet and base command levels. This expedites decision making in times of urgency. For example, in June 2012, while serving on the eleventh escort task force, Yantai experienced a radar system malfunction. According to an article in China’s *Science & Technology Daily*, “the radar’s automatic plotting device suddenly “went on strike” one day. People in the ship formation checked repeatedly but could not find the cause of the breakdown. So they activated the “ship’s equipment remote maintenance and repair technical support” group consultation system. Very quickly, people aboard Yantai “invited on board” technical experts at an electronic science and technology organization in Shanghai, and the

problem was easily solved (*Science & Technology Daily*, June 5, 2012).

Similarly, this coordination mechanism reportedly allowed the crewmen serving on an escort taskforce deployed by the North Sea Fleet (NSF), rarely exposed to Far Seas anti-piracy operations at the time, to gain troubleshooting access to over four hundred naval and technical experts in Shanghai, reflecting PLAN efforts to ensure that its relatively inexperienced units are able to operate smoothly in the Gulf of Aden (*Liberation Army Daily*, May 25, 2012). One exercise drill held by the tenth task force in February 2012 suggests that the PLAN has recognized the need to regularize emergency repair. During the exercise, a repair team boarded a ship whose radar had “failed” after a pirate attack and “repaired” it in twenty minutes while medical personnel treated “injured” crewmembers (CCTV-7 Military Report, February 20, 2012).

More generally, experience in coordination gained in Gulf of Aden operations has set a standard for future instances in which Beijing needs to respond swiftly in the Far Seas or other regions outside of China. Given the PLAN’s enhanced role in safeguarding national interests, Chinese authors Yang Jun, Zou Debin, and Xu Yanshan argue, China must abandon the tendency to view naval development independently but should rather “include maritime material flow into the building system-of-systems of the whole military, into the maritime material flow system-of-systems of the whole nation; and . . . build according to the support thinking of ‘joint logistics in charge of general support, navy in charge of in charge of special support’ under the overall planning of the nation and the General Headquarters.” [4]

These are but a few small, documented examples of a wide range of institutional achievements by China’s navy and its civil and military support network that has supported anti-piracy missions for five uninterrupted years. Collectively, institutional breakthroughs for China’s navy in the Far Seas, their modest nature notwithstanding, allow the PLAN to set in place flat communication and coordination structures for future missions regardless of geographic distance from China. In particular, the institutional lessons learned in the Gulf of Aden, such as how to design coordination structures to optimize rapid response time and respond to unpredictable contingencies,

are likely applicable to a host of preparation, training, and real-time operations in China’s Near Seas.

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## Notes

1. Xing’s experience was documented in a 2009 *Southern Weekend* article. See Shen Liang and Wei Di, “Bingma wei dong junfa xianxing—Zhongguo jundui ye xu falu ‘yanhu’” [Policy Procedures Precede Military Action (lit. “Military Law Precedes Movement of Troops and Horses”): The Chinese Military Also Needs the “Cover” of Law], *Southern Weekend*, April 2, 2009.
2. See You Ji, “PLA Navy’s Gulf of Aden Mission as Capability Building against NTS Threats,” p. 33.
3. *Ibid.*, p. 34.
4. See Yang Jun et al., “Research on Maritime Military Material Flow System-of-Systems Building,” in *Junshi wuliu yu junshi jiaotong yunshu* [Military Material Flow and Military Communications and Transportation], pp. 80–83.

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## China and the SCO: Dead Wood but a Good Platform

By Jacob Wood

In the week before the Shanghai Cooperation Organization (SCO) Summit in Bishkek on September 12, Chinese General Secretary Xi Jinping visited four countries on China's western flank—Turkmenistan, Kazakhstan, Uzbekistan and Kyrgyzstan—and met their presidents. In between these visits, Xi attended the G20 summit in Moscow on September 5, where he affirmed the “sound momentum” of U.S.-Chinese relations with President Barack Obama, congratulated China and Russia on their 50 joint projects with President Vladimir Putin and brushed off Japanese President Shinzo Abe in a five-minute meeting where Abe warned of “great difficulties” that Japan and China were “unwilling to see” in the East China Sea (*South China Morning Post*, September 7).

At the SCO Summit, Xi also met the president of SCO observer Mongolia and held a three-way meeting with Putin and Ayatollah Rouhani, the leader of SCO observer Iran. Xi's Journey to the West yielded more concrete results than his visit to California in July 2013, where he generated “positive optics” with President Obama but no specific deliverables. In Central Asia, Xi signed landmark energy and infrastructure deals with all five Central Asian leaders and made key policy announcements on Chinese foreign policy related to NATO, Afghanistan and Syria.

Xi's deals demonstrated the SCO's relevance as the diplomatic engine of Chinese-Central Asian relations even though the security and economic purposes for which the SCO was founded take place bilaterally on the sides of the Summit. The structures of the SCO are less relevant than the opportunity that the SCO Summit affords China to network with Central Asian governments, advertise Chinese economic preponderance in Central Asia on the international stage, and portray Central Asian unity on key international security issues.

### Silk Road Economic Belt

In a speech in Astana on September 7, promoted as “historic” in the weeks before in official media reports, Xi proposed a “Silk Road Economic Belt,” the term echoing the U.S.-proposed “New Silk Road.” Unlike

the New Silk Road, which features Afghanistan as the “Asian Roundabout” connecting South Asia, Central Asia and Europe, the Economic Belt heads eastward from Afghanistan and Central Asia to China's Xinjiang Province—although, according to Xi, it would also extend to the Baltics. While the New Silk Road has suffered from lack of implementation, the Silk Road Economic Belt is in high gear.

During Xi's visit to Uzbekistan's Silk Road hub of Samarkand, he emphasized his roots in Shaanxi Province, whose imperial capital, Xian, was the Silk Road's eastern terminus. The Economic Belt would revive Silk Road routes, but with silk replaced by oil and gas. The high-profile deals that Xi concluded in the run-up to the SCO Summit included:

- Inaugurating the first phase of production at “Galkynysh,” the world's second largest gas field, during his visit to Turkmenistan on September 4 (*China Daily*, September 4);
- Striking a \$5 billion deal in Kazakhstan on September 7 that will provide China with a stake in the Kashagan oil project in the Caspian Sea; three months before this Kazakhstan prevented Houston-based ConocoPhillips from selling the stake to China's geopolitical rival—India's state-run company ONGC (*Xinhua*, September 7; *Interfax [Almaty]*, September 7);
- Signing \$15 billion worth of deals in the oil, gas and uranium sectors in Uzbekistan on September 9, while also promising governmental exchanges between China and Uzbekistan and stating that all countries should “choose their social institutions and development paths in accordance with their respective national conditions (*SCMP*, September 13);”
- Establishing a “strategic partnership” with Kyrgyzstan on September 11, while also agreeing to \$3 billion for energy projects, which will fund a 225-kilometer Kyrgyzstan-China gas pipeline to pump gas from Galkynysh via Uzbekistan and Kyrgyzstan to Kashgar, Xinjiang (*China Daily*, September 11)
- Although Xi did not visit Tajikistan, meeting



with the Tajik president in Bishkek to launch the construction of Line D of the China-Central Asia gas pipeline, which links Tajikistan to Xinjiang.

Aside from these bilateral deals, there was little to show in terms of institutional economic initiatives, such as the SCO Free Trade Zone, which China proposed in 2011. Rather, China has expanded its rail, road and pipeline routes from Xinjiang to Central Asia bilaterally. These Chinese-Central Asian ties will permanently bind Chinese and the region's infrastructure and economies together.

Although China may have had the largest economic footprint in Central Asia since 2009, if not earlier, when the China National Petroleum Company completed the Kazakhstani portion of the Turkmenistan-China natural gas pipeline, only now is China marketing its economic deals in Central Asia on the international stage. China may have wanted to avoid sounding alarm bells about its economic activities in the region until Chinese predominance was secured. The SCO Summit in Bishkek and Xi's launch of the Silk Road Economic Belt was, in this sense, China's coming-out party to the world in Central Asia.

### Syria Takes Center Stage

In Xi's speech at the SCO Summit, he discussed Syria more times than Afghanistan. This is despite Afghanistan's role as an SCO observer and its borders with Xinjiang and Central Asia. The SCO's Tashkent-based Regional Anti-Terrorism Structure (RATS) is also focused on countering insurgent threats, including those from Afghanistan, but rarely on extra-regional security. And although the 2002 SCO Charter calls for "cooperation in the prevention of international conflicts and their peaceful settlement," the SCO has never focused on the Middle East, especially with the post-2013 U.S.-NATO drawdown from Afghanistan creating new security risks in Central Asia.

However, Xi's use of the SCO Summit to promote a united SCO position on Syria was based on SCO members' mutual interests. For Russia, Xi's support of Putin's plan to disarm Syria's chemical weapons stockpiles assuaged Russian concerns about U.S. unilateralism and the SCO becoming a China-centric institution. China showed that the SCO still defers to Russia as the region's main power in international diplomacy. Meanwhile, intra-regionally,

China has never challenged the Russian-led Collective Security Treaty Organization (CSTO) or Russia's bilateral security deals with Tajikistan to maintain a Russian troop presence in the country until 2042 (Xinhua, June 5, 2012). These incentives are likely to preserve Russian interest in the SCO even despite China's economic rise.

Xi's shift in focus from Afghanistan to Syria may also signal a long-term policy for the SCO to serve as a counterweight to U.S. and NATO security operations beyond the traditional NATO area of responsibility. Chinese military experts since 2012 have portrayed the SCO as an "eastern NATO" and blamed NATO for the "turmoil and instability" in Afghanistan and Libya (shijiemil.com, June 10, 2012; sina.com, June 14). Shen Jiru, an expert at the Chinese Academy of Social Sciences, argues that because China and Russia are Asia-Pacific powers the SCO should extend its mandate to that region. According to Jiru, this would restrain NATO's evolving role as the "world's security center," which, unlike the United Nations, does not require Chinese and Russian approval to carry out military operations (Phoenix News, May 23, 2012). Other Chinese analysts believe that the country's lesson from being "bullied" in the South China Sea is that it needs to assert itself more strongly in Central Asia vis-à-vis the U.S. (Author's notes from panel of Chinese experts on Central Asia at an SCO Conference in Shanghai, July 2013). The SCO provides China with a mechanism to extend its influence from the Middle East to the Asia-Pacific without appearing to act unilaterally.

Finally, in terms of national security, Syria is closer to Kashgar, Xinjiang than Beijing is to Kashgar, and Syria has increasingly risen on China's radar in 2013. There is evidence of Uighur militants as well as North Caucasians, Kazakhs, Kyrgyzs, Tajiks and Uzbeks fighting against the Syrian government, and in early September the Chinese Embassy in Damascus came under fire from the rebels (*Global Times*, September 4). The Pakistan-based Uighur-led Turkistan Islamic Party (TIP), which seeks to "liberate" Xinjiang from its "Chinese oppressors" and operates with the Islamic Movement of Uzbekistan (IMU), al-Qaeda and the Taliban, has promised support to the rebels. The threat of jihadist veterans from Syria returning to Central Asia resurfaced when Kyrgyzstan reported that it broke up an Islamic Jihad Union cell targeting the SCO Summit on September 11 (Akipress,

September 20). Several weeks prior, Chinese security forces killed 34 people in a three-day period of raids on terrorist “facilities” in Kashgar (RFA, September 17). China, Russian and their neighbors in Central Asia would benefit from a negotiated end to the civil war more than U.S. military involvement or a rebel victory that could spur raise the morale of Central Asian jihadists, who could return home after their mission in Syria finished.

## Conclusion

The SCO Summit in Bishkek heralded a “Xi era” in Chinese-Central Asian relations and signified Chinese overall leadership of the SCO, while reaffirming Russia’s stake in the institution. The SCO also proved that it is not a monolithic security or economic institution, but an avenue for China to pursue its economic and foreign policy objectives in Central Asia through a multilateral framework. In a world where institutions such as NATO, ASEAN and the African Union are playing more prominent roles in regional affairs and the UN is no longer a check on U.S. power, the SCO has the potential to unite Central Asia, China and Russia on the Grand Chessboard of Eurasian geopolitics.

The SCO still remains untested, however, and the post-2013 Afghanistan security environment could expose its vulnerabilities. An armed incursion into the region by an Afghanistan-based militant group, such as the IMU or its Tajik affiliate Jamat Ansarullah, a breakout of ethnic clashes, such as ethnic Uzbeks and Kyrgyzs in southern Kyrgyzstan, or the split of eastern regions of Tajikistan from Dushanbe’s control could require external military intervention. In such a scenario, China would not be able to resolve the conflict because, like NATO, its security forces would lack the local language and socio-cultural dynamics of the region. Only Russia would likely be able to intervene under the auspices of the CSTO, but even this would be a major challenge for Russia, which opted not to intervene in the clashes between Uzbeks and Kyrgyzs in the Fergana Valley in 2010.

This, however, highlights the likely benefits of further coordination between the SCO and NATO on areas of mutual interest, the importance of building Central Asia’s capacity to deal with internal conflict, and the value of the less-reported social and cultural exchanges between China and its Central Asian neighbors.

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## How China Plans to Use the Su-35

By Peter Wood

A senior executive at Russia’s state arms export company, Rosoboronexport, has said that Russia will sign a contract to sell the advanced Su-35 jet to China in 2014, while confirming that the deal is not on track to be finished in 2013 (RIA Novosti, September 7). This is unlikely to be the last word on the matter—the negotiations have dragged on since 2010, and have been the subject of premature and contradictory announcements before—but it is a strong indication that Russia remains interested in the sale. For the time being, China’s interest in the new-generation fighters is worth examining for what it reveals about the progress of homegrown military technology and China’s strategy for managing territorial disputes in the South China Sea. If successful, the acquisition could have an immediate impact on these disputes. In addition to strengthening China’s hand in a hypothetical conflict, the Su-35’s range and fuel capacity would allow the People’s Liberation Army Navy Air Force (PLANAF) to undertake extended patrols of the disputed areas, following the model it has used to apply pressure to Japan over the Diaoyu/Senkaku Islands.

Previous reports in Chinese and Russian media in June of this year pointed toward a deal having been reached over a sale of Sukhoi Su-35 multi-role jets, but were not viewed as official due to more than a years worth of contradictory reports in Chinese and Russian media (*Global Times*, June 6). For the past year Chinese and Russian media have been contradicting each other over the status of the sale. At one point, Russian sources claimed that the sale had gone through, only to be categorically refuted by the Chinese Ministry of Defense (*Global Net*, March 12, 2012). Nevertheless, in January both governments paved the way for an eventual sale by signing an agreement in principle that Russia would provide the Su-35 to China.

A big question remaining is the number of aircraft that China will purchase. The Chinese *Global Times* reported this summer that a group of Chinese representatives were in Moscow evaluating the Su-35, and would begin acquiring a “considerable number” of the advanced jets (Global Net, March 12, 2012; Phoenix News, June 6). Whether that means that China will purchase more than 48, as mentioned in press statements a year ago, is unclear. Evidence of continued negotiation for the jets indicates a strong desire within the Chinese Military to acquire the Sukhoi fighters.

In recent years the Chinese Air Force has benefited from much attention to its homegrown stealth and bomber programs, but the purchase of the Su-35s shows that Russian technology remains critical for key technologies, putting to rest claims by military leaders like Air Force Major General Wei Gang that China’s aircraft development is entirely self-reliant (People’s Net, March 9, 2012).

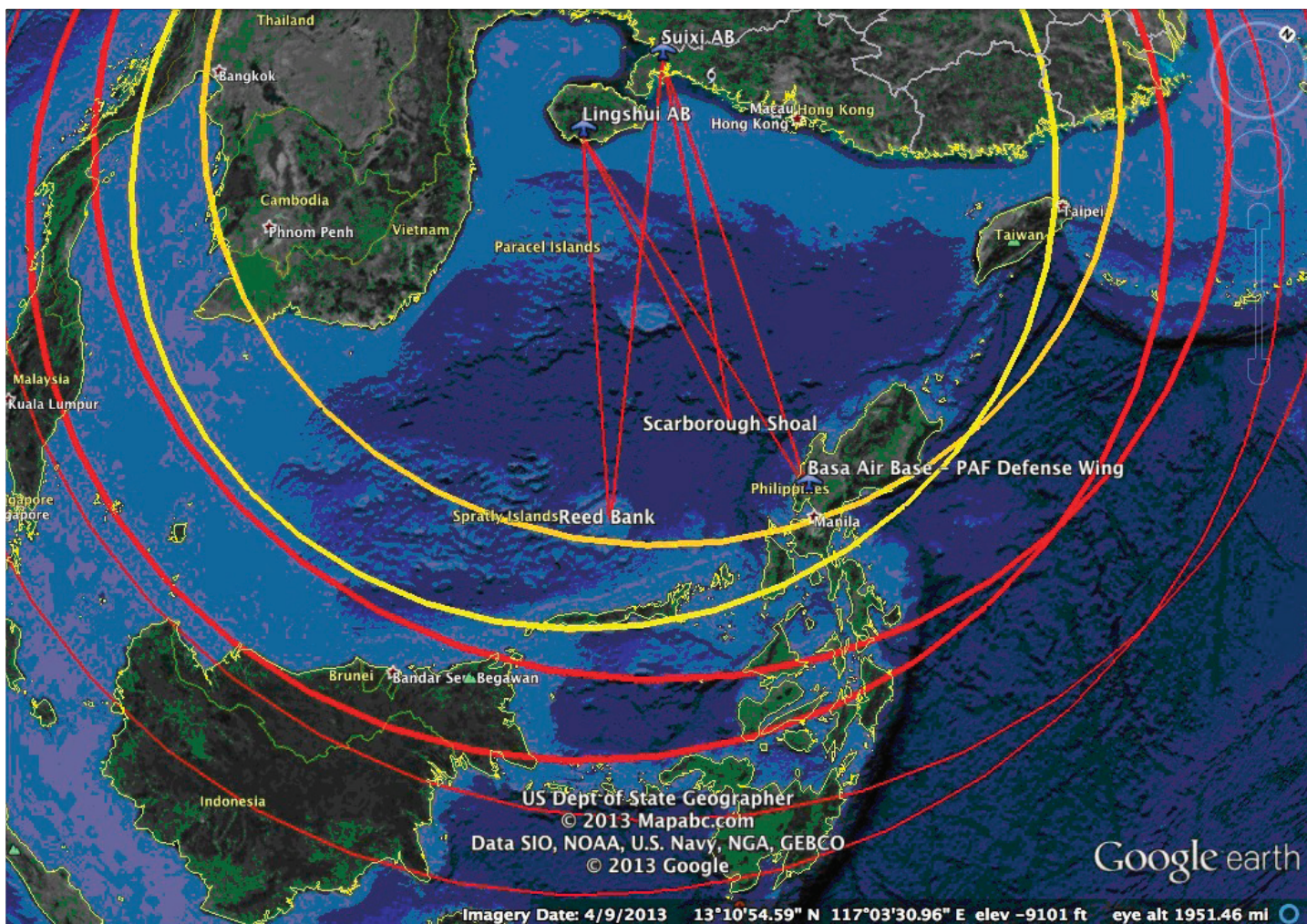
Chinese aviation is still reliant in many ways on Russia. Media attention has been focused on China’s domestic development programs, including stealth fighter-bombers and helicopters. The advance of Chinese aviation capabilities is by now a common theme, with every month seeming to bring new revelations about Chinese aviation programs, like the recently posted photos of the Li Jian, or “Sharp Sword” Stealth Drone (Phoenix News, June 5). While the ability to manufacture and perform design work on these projects represents significant progress, “under the hood” these aircraft often feature Russian engines. China continues to try to copy or steal Russian engine technology because of a strong preference for building systems itself. However, purchasing the Su-35 does not reflect a shift in the preferences of the Chinese military leadership. Buying the Su-35 reflects the delicate position China finds itself now, as both a large purchaser and producer of primarily Russian-style weapons. Though self-reliance has always been important to China, it has been superseded by the strategic need to acquire cutting edge weapons systems quickly. According to data from the Stockholm International Peace Research Institute (SIPRI), beginning in 1991, China began purchasing the Su-27 long-range fighter jet (an older relative of the Su-35) (SIPRI website).

Russia understandably became upset when its star export

appeared as an indigenously produced J-11 in China—without a licensing agreement. Just over a year ago Russian media was reporting that Russia had chosen not to sell the jet over fears that it would be copied in turn and become yet another export item for China, further undercutting Russia’s own economically vital arms business (*Kommersant* [Russia], June 3, 2012). It appears that now Russia is trying to balance its fear of being undercut by Chinese copying with its desire (or need) to sell weapons (*China Brief*, Volume 11, Issue 2). Viewing the purchase of the Su-35 through the lens of China’s strategic needs and events, like the recent territorial spats with its neighbors, provides a useful perspective on just why China is so eager to acquire the Sukhoi jet.

Simply put, the Su-35 is the current best non-stealth fighter. Though stealth has come to dominate Western aircraft design, in terms of China’s needs, other factors take precedence. Even more surprisingly, superiority in air-to-air combat is not the Su-35’s key selling point. While the Su-35 gives the Chinese military a leg up versus the F-15s and other aircraft fielded by neighbors like Japan, the advanced Russian jet does not add significant new capabilities to conflict areas like the Taiwan Strait. Large numbers of interceptors and multi-role jets like the J-10 could easily be deployed over the Strait, or to areas near Japan like the Senkaku/Diaoyu Islands. The advantage of the Su-35 rather lies in its speed and ample fuel tanks. Like the Su-27, the Su-35 was created to patrol Russia’s enormous airspace and to be able to meet incoming threats far away from Russia’s main urban areas. China’s Air Force faces similar problems.

The South China Sea is just such a problem. A vast area of 1.4 million square miles/ 2.25 million square kilometers), China’s claims as demarcated by the famous “Nine-Dash Line” pose challenges for the People’s Liberation Army’s (PLA) current fighters. Currently, land based PLANAF fighters, can conduct limited patrols of the sea’s southern areas, but their fuel capacity severely restricts the time they can spend on patrol. Enforcing claims far from the mainland in times of crisis requires the type of range and speed that the Su-35 possesses. The Su-35 is likely meant to help enforce China’s territorial claims, further deter regional claimants, and provide additional layers of protection in the case of escalation. The key to this is fuel.



An important improvement of the Su-35 over the Su-27/J-11B is the ability to carry external fuel tanks, which would be a major factor limiting the Su-27, which does not have aerial refueling capability (Sino-Defense.com). This is in addition to a 20% increase in fuel capacity over the Su-27 and air refueling capability. This later capability is another important part of China's strategy of increasing loiter times and distances. "Loiter time" is the amount of time an aircraft can spend in the vicinity of a target, as opposed to reaching the area and returning to base. Generally there are three ways to increase loiter time. Smaller, slower aircraft like the U.S.'s Predator or Global Hawk drones can stay aloft for many hours at a time due to their long wings and lack of a pilot. The other two options are larger fuel tanks or refueling capability. China's nascent aerial refueling program is not yet fully proven and does not currently involve any naval planes, and is estimated at becoming operationally effective between 2015-2020 ("Trends in Chinese Aerial Refueling Capacity for Maritime Purposes," in *Chinese Aerospace*

*Power: Evolving Maritime Roles*, 2011).

The image above demonstrates the comparative ranges (two way) of Su-27s (thick yellow lines), Su-35s flying on internal fuel (thick red lines) and Su-35s with two drop tanks (thin red lines) flying from two major air bases in China. Note: All distances are estimated combat radii.

As this map shows, the Su-35, even on internal fuel only, offers significant advantages over the Su-27, which are limited only to quick fly-overs of trouble spots such as the Reed Bank (lile tan) or Scarborough Shoal (huangyan dao). The extra time the Su-35 can spend on station is essential to Chinese desire to deter action by the Philippines or other regional actors. Such long-range aircraft would be able to "show the flag" for longer, or quickly intercept Philippine aircraft in the region. In the case of the Su-35, it would likely be able to outfly and outshoot any Philippine or Vietnamese aircraft (or surface vessel for that matter) largely rendering competing territorial claims

a moot point.

This is the sort of *fait accompli* situation that China has sought to create, for example with the “eviction” of the Philippine presence from the Scarborough Shoal and repeated fly-bys of the disputed area in the East China Sea—an overwhelming Chinese presence around territorial claims, leaving the contender with only the options of significantly ratcheting up tensions and likely losing any skirmish or accepting a regular Chinese military presence. With the ability to make extended flights over a larger portion of the South China Sea, the PLANAF is likely to increase air patrols. This could lead to more frequent encounters in more places, creating more opportunities for minor crises and allowing China to push back the “facts on the ground” which may serve as the starting point for negotiations in a peaceful settlement. This capability, combined with China’s already significant ballistic missile forces and other “Anti-Access” weapons give China a significant trump card and thus acts as a deterrent to military challenges, giving China the ability to project military power over a larger portion of Southeast Asia and indeed, most of the ASEAN nations.

Beyond deterrence, buying a jet with longer-range purchases more than just loiter time. Areas like Hainan are more vulnerable to attack by cruise missile or carrier-borne elements than those behind the prickly hedge of China’s air defense systems. Overlapping radars, shorter ranged interceptors and powerful surface-to-air missile system make deploying aircraft to the mainland an attractive option. With its extended range however, the Su-35 should have little trouble flying from behind coastal areas to a large portion of the South China Sea.

Land based, long range patrolling Su-35s are one of the best ways to ensure that China retains the ability to restrict other contestant nations’ access to these areas. This has become even more urgent now that the U.S. has announced plans to deploy the F-35 in response to China, likely to important bases in Korea and Japan (*Breaking Defense*, July 29).

In the meantime, while the U.S. and its allies face a potential gap in capabilities between aging airframes and delivery of the F-35, China is rapidly phasing out older platforms, upgrading legacy systems and trying to acquire newer aircraft. The Su-35 is a major step in this direction.

While not on par with the U.S. F-22, the small numbers of that platform and risks of deployment make the Su-35 likely superior to anything easily deployed in the region for some time. Furthermore, though the Su-35 is much more agile than the Su-27, similarity between the Su-35 and earlier Sukhoi platforms should mean less effort expended building a new logistics tail and retraining, leading to faster operational status and deployment. There are no clear indications whether the PLAAF, or the PLA Navy Air Force (PLANAF) would use the Su-35s, but deployment to the PLAAF Air Base in Suixi, Guangdong would complement the other Sukhois already stationed there.

While the Su-35’s technologies will benefit Chinese aviation, its larger contribution lies in enforcement and deterrence in the South China Sea. China’s currently deployed forces in the South China Sea and contested areas could already do significant damage to possible adversaries like the Philippines. Without a combat-capable Air Force and Naval forces largely composed of aging/1960s-era former U.S. coast guard cutters, the Philippines cannot effectively challenge China’s territorial claims. The Sukhoi jets’ larger fuel capacity and in-flight refueling capability mean that Chinese jets could remain on station for longer, enforcing their claims by conducting patrols and interceptions in a more consistent way. Going forward, the combination of the Su-35, China’s extant shorter range fighters, advanced surface-to-air missiles, and long range ballistic and cruise missiles could act as a, strength-in-depth, multi-layered capabilities to protect China’s claims and make others less eager to intervene if China chose to pursue conflict with its neighbors.

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*A table accompanying this article appears on the following page.*

AIRCRAFT RANGES	
AIRCRAFT	ESTIMATED RANGE (MILES / KM)
Su-27/J-11B [1]	Internal fuel: 1,700/2,800
Su-35 [2]	Internal fuel: 2,237/3,600 With two drop tanks: 2,800/4,500

EXAMPLE DISTANCES BETWEEN KEY CHINESE AIRBASES AND AREAS OF INTEREST		
CHINESE BASE	TARGET AREA	APPROXIMATE DISTANCE (MILES / KM) [3]
Lingshui PLANAF base, Hainan province	Reed Bank, South China Sea [4]	660/1,070
	Scarborough Shoal, South China Sea	560/900
	Basa Philippine Air Force Air Defense Wing Base, Luzon, Philippines [5]	730/1,180
Suixi PLAAF base, Guangdong province	Reed Bank, South China Sea	815/1,312
	Scarborough Shoal, South China Sea	650/1,050
	Basa Philippine Air Force Air Defense Wing Base	800/1,300

Notes

1. Sinodefense.com, accessed June 20, 2013.
2. Sukhoi.org, accessed June 20, 2013.
3. All distance estimates from Google Earth
4. Philippine Air Force reconnaissance planes reported being “buzzed” by a plane they identified as belonging to the PLAAF in the Reed Bank. Unusually, they described it as a MiG-29, a plane not in the PLA’s inventory. “Editorial: Defense Capability,” *Philippine Star*, May 20, 2011.
5. Note: Currently the Philippines do not have a functional defense wing or any combat aircraft capable of contesting their airspace. This area is therefore notional and based on a third party (i.e. U.S.) basing aircraft here or Chinese aircraft flying to this area for strike missions.

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## India in the South China Sea: Commercial Motives, Strategic Implications

By Rup Narayan Das

Although India is not a party to the South China Sea dispute, in recent years—particularly since Secretary of State Hilary Clinton vigorously advocated freedom of navigation in the South China Sea at the Asian Regional Forum meeting in Hanoi in July 2010, and India endorsed the stance—Beijing has grown wary of India’s intentions in the South China Sea. This wariness was further exacerbated in September 2011, when India and Vietnam announced plans to sign an agreement for oil exploration in the South China Sea. Beijing responded by saying that China enjoys indisputable sovereignty over the South China Sea, and that China’s stand was based on historical facts and international law. It was further stated that China was opposed to any project in the South China Sea, without directly referring to India (*The Pioneer*, September 16, 2011).

The same day, while answering a question raised by a correspondent about Chinese objection to India’s Oil and Natural Gas Commission Videsh Limited’s (OVL) proposed deal, New Delhi said that OVL had been present in Vietnam for quite some time, including in a major oil

venture for offshore oil and natural gas exploration, and that they were in the process of further expanding their cooperation and operation in Vietnam (Media Briefing by Official Spokesperson on EAM's visit to Hanoi). The OVL is a state owned company under the Ministry of Oil and Natural Gas and as such enjoys diplomatic support of the government. The government, however, does not interfere in its day to day operations.

India already has a stake in Block 06.1, located 370 kilometers south-east of Vung Tau on the southern Vietnamese coast with an area of 955 square km. The exploration license for this block was acquired by OVL in 1988. The field started commercial production in January 2003. During 2010-11, OVL's share of production from the project was 2.249 billion cubic meters (bcm) of gas and 0.038 million metric tons (mmt) of condensate (Annual Report of ONGC Videsh Limited 2010-11). Later in 2006, OVL acquired two more blocks in the South China Sea for hydrocarbon exploration. Block 127 is an offshore deep-water Block, located at water depth of more than 400 meters with an area of 9,246 sq. km. OVL had invested approximately \$68 million by March 2010. A location for drilling an exploration well was identified and the well was drilled in July 2009 to a depth of 1,265 meters. As there was no hydrocarbon presence, OVL decided to relinquish the block to Petro-Vietnam. The second Block 128 was also acquired at the same time. The Company had invested approximately \$49.14 million by March 31, 2012. As in the case of Block 127, in Block 128 also the well could not be drilled with the rig, as it had difficulty anchoring on the location. The drilling activity has been kept under suspension. Vietnam has been goading India to pursue drilling in Block 128, asserting that it is very much within its territorial water.

The issue was, however, played out in the media, both in China and India. *The Global Times* quoted Wu Xinbo, Professor at the Center for American Studies at Fudan University: "As a South Asian country, India actively takes part in East Asian issues through the support of the U.S., which has been advocating for Asian countries to counter China. The U.S. takes every opportunity to counter China, and its joint military maneuvers with Japan and other regional countries has been more frequent in recent years" (*Global Times*, September 17, 2011). Wu added that this project helps India kill two birds with one

stone—it will bring economic benefits to India while also balancing out China politically. The article quoted another Fudan scholar, Shen Dingli, Director of the Centre for American Studies, who said, "In recent years, China has also been building up relations with countries like Myanmar that neighbor India, not to mention that Pakistan invited China to provide safety protection, and offered China a naval port on the Indian Ocean. All these moves made India feel nervous."

India, in spite of resistance from China, concluded the agreement with Vietnam during the visit of Vietnamese President Truong Tan Sang to India on October 12, 2011. OVL and its Vietnamese counterpart, Petro-Vietnam, inked a three-year agreement for long-term cooperation in the oil and gas sector. The agreement is intended for developing long-term cooperation in effect for three years. Some key areas in which the companies plan to cooperate are related to the exchange of information on the petroleum industry; exchange of working visits of authorities and specialists in various fields of the petroleum industry; new investments; expansion and operations of oil and gas exploration; and production, including refining, transportation and supply in Vietnam, India, and third countries according to the laws and regulations of their countries. President Truong said that all disputes with China, including claims in the South China Sea, would be solved peacefully through negotiations and a code of conduct for good relations in the region.

India's defiance of China further riled Beijing. New Delhi and Beijing, however, did not allow the relationship between the two countries to drift further. Prime Minister Manmohan Singh, in his meeting with his Chinese counterpart Wen Jiabao on the side-lines of the East Asia Summit meeting in Bali in November 2011 in response to Premier Wen Jiabao's concerns, reiterated that Indian exploration of oil and gas deposits in the South China Sea were purely commercial, and the issue of sovereignty over the South China Sea should be resolved according to international law and practice (*The Hindu*, November 18, 2011). India's nuanced position was further clarified by its Defense Minister A.K. Antony in September, 2011 while addressing the Naval Commanders Conference in New Delhi, where he said, "There is no question of India going there in large scale. We will go there for exercise

and uninterrupted passage of ships and trade. There is no question of any naval presence there. That is not our intention, our main concern is to protect our core area of interest,” he said (*The Indian Express*, October 13, 2011).

Although India treats the issue of OVL’s foray into the South China Sea primarily as a commercial venture, its strategic position with regard to its engagement in the Asia-Pacific can be discerned from a statement by its National Security Advisor, Shivshankar Menon, some time back in the United States when he said at the Carnegie Endowment for International Peace, “China has a presence in South Asia. It has been there for a long time... We have had a presence in East Asia for a long time. And that’s a fact.” Emphasizing peaceful cooperation, he said: “We have global interests, Chinese have global interests, all of us do... All the major powers, as I said, are not only inter-dependent on each other, but also are dealing with each other across a whole range of issues—none of which recognizes some artificial constructs like South Asia or East Asia. These are interlocking circles about security or prosperity, whichever way you look at it” (*Zee News*, October 1, 2010). This succinctly reflects India’s strategic thinking with regard to the Asia-Pacific. India’s strategic interest in the South China Sea can also be attributed to the fact that 40 percent of its trade with the United States transits through the West coast, besides augmenting its energy resources.

India’s foray into the South China Sea can be attributed to many reasons. While it is primarily, as maintained by the Government, for commercial purposes, it also resonates with the government’s “look east” policy of comprehensive engagement with the countries of the region, particularly with Vietnam. The spat between India and China over the South China Sea was also exacerbated also due to India’s support for freedom of navigation in the South China Sea in multilateral forums, which China perceives as containment of China.

India has not been dragged into turbulence over the South China Sea recently, as China has focused its efforts on contesting its disputes with Japan and the Philippines. India in the meantime has also fleshed out further clarity with regard to its stated position on the sea. Indian External Affairs Minister Salman Khurshid recently said, “We are not involved in a dispute in the South China Sea.

We believe that it should be settled bilaterally between countries which have different points of view. It should be done peacefully and within four corners of the code of conduct that ASEAN is developing for the South China Sea” (*The Hindu*, August 15). While this position is an endorsement of Beijing’s stance on the issue, New Delhi consistently stands for freedom of navigation and sea lanes of communication. Answering a Parliamentary Question from Lok Sabha, the popular chamber of India’s Parliament, then-External Affairs Minister S.M. Krishna wrote on August 17 that “India has on several occasions reiterated its position that it supports freedom of navigation, right of passage and access to resources in accordance with accepted principles of international law. These principles should be respected by all. Sovereignty disputes in the South China Sea must be resolved peacefully by the countries concerned in accordance with international law and practice.”

India boldly articulated its position with regard to freedom of navigation at the Commemorative Summit of the ASEAN-India summit held in New Delhi in December 2012 to mark its 20th anniversary. Addressing the Summit Prime Minister Manmohan Singh reiterated the idea of regional security architecture. He urged the member countries to intensify their engagement for maritime security and safety, for freedom of navigation and for peaceful settlement of maritime disputes in accordance with international law, political and security consultations, including in regional forums such as the East Asia Summit, the ASEAN Regional Forum and the ASEAN Defense Minister’s Meeting Plus and proposed that the leaders should work together more purposefully for the evolution of an open, balanced, inclusive and transparent regional architecture (Opening Statement by Prime Minister at Plenary Session of India-ASEAN Commemorative Summit, Strategic Digest, January, 2013).

It is still unclear as to whether OVL will still pursue oil exploration in Block 128. The annual report of OVL for the year 2009-10 mentioned that the drilling activities in Block 128 would be resumed in 2011. However the report for 2011-12 simply mentions that PetroVietnam has suggested OVL to continue the exploration program in the block for additional two years with effect from 16th June, 2012 by revisiting the geological model with



the integration of data likely to be available with the assistance from Petro Vietnam.

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