China has the world’s largest population and a vast landmass surrounded by 14 countries. It has long borderlines and a long coastline. China is also a nation with various races, religions, and languages. Most of its ethnic minorities populate the borderlands often with the same ethnic groups living across the borders. China, with a long history, has been shaping and maintaining a distinct culture and civilization, and pride of its unique history and the experiences of semi-colonization in and after the 19th century is driving a desire for a strong nation as well as fueling their nationalism.

China is a state with a socialist regime, and aims at building a modern socialist state under the leadership of the Chinese Communist Party (CCP).

In recent years, China has significantly increased its international trade attracting considerable foreign investment; the economy has dramatically grown, especially in the coastal and urban areas. It has maintained its economic growth despite the impact from the worldwide financial crisis. China’s nominal Gross Domestic Product (GDP) converted to dollars has exceeded Japan’s in 2010, and it is regarded that China has become the second largest economy in the world next to the United States. In addition, a great deal of attention has been paid to its movements at international conferences, such as the G20 Summit on the Financial Market and the World Economy and the Conference of the Parties (COP) under the United Nations Framework Convention on Climate Change. China increased its international presence by holding the international exhibition, the “Shanghai Expo” in 2010, and the BRICS Leaders Meeting in 2011. Moreover, China has been playing a certain role in the non-traditional security area: it actively sends personnel to U.N. peacekeeping operations (PKO) and has been participating in the international anti-piracy activities off the Coast of Somalia and in the Gulf of Aden, which have been highly rated by the international community.

In both name and reality, China is growing into a big power and has started playing a major role in the world and the region. Backed by the deepened economical mutual dependence, this movement is welcomed by the international community, including Japan; on the other hand, there have been disputes on issues relating to trade imbalance, currency rate, and human rights. In addition, in regards to the issues on conflicting interest with the surrounding countries, including Japan, China’s response has been criticized as assertive, and there is a concern over its future direction. China is expected to recognize its responsibility as a big power and accept the international norms, as well as play an active and cooperative role in the regional and global issues.

On the other hand, a variety of problems exist within China. Such problems include the great political problem of corruption within central and local communist party leadership, and as a result of rapid economic growth there are emerging problems such as regional disparities between urban-rural and coastal-inland regions, wealth gaps among urban residents, inflation, environmental pollution, and lack of agricultural/industrial water. Moreover, issues associated with the rapid aging of the population are forecasted to arise in the future. In order to avoid public frustration shifting into criticism of the administration, it is expected that China will continue to tighten its control on the society; however, it has been pointed out that there are unstable aspects in controlling public activities. Moreover, China also has domestic ethnic minority issues, such as the clashes between minorities and the authorities that were started by minority protests in areas such as the Tibet Autonomous Region and the Xinjiang Uyghur Autonomous Region. It has been reported that

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1 It is reported that there are 55 ethnic minorities living in China, besides the Han Chinese ethnic group.
some ethnic minorities are undertaking campaigns seeking separation and independence. Under the guiding principle of the “Scientific Outlook on Development,” the Hu Jintao administration aims to build a “Harmonious Society” as its fundamental policy and is committed to giving priority to the solution of the aforementioned domestic problems. China also aims to improve its current economic structure, where it is dependent on exports abroad and domestic demand is weak, in order to maintain stable economic growth.²

On the diplomatic field, it is believed that in order to maintain national stability China is aiming to maintain stability in the strategic international environment by sustaining favorable relations with major powers such as the United States and Russia, to maintain favorable relations with neighboring countries and stable situations in those countries, to promote the multipolarization of the world, and to secure an energy supply and other interests necessary for economic development.

On the military front, China has been modernizing its military forces, backed by the high and constant increase in defense budget. China appears to give particular priority to the Taiwan issue as a core issue of national sovereignty, and for the time being it will probably aim for the improvement of military capabilities to prevent Taiwan’s independence in its military modernization, but in recent years, China has begun to work on acquiring capabilities for missions other than the Taiwan issue. The military trends of China draw attention from countries, as the country has been steadily growing as a major political and economic power.

2 Military Affairs

1 National Defense Policy

China positions the buildup of strong defense capabilities and powerful military forces that match national security and interests of development as the strategic mission to modernize the state, while it considers the main goal and mission of national defense policies to be to defend sovereignty, security, and interests of development of the state, to protect the harmony and stability of the society, to promote modernization of national defense and military forces, and to protect the stability and peace of the world.¹

China has a policy of active promotion of the “Revolution in Military Affairs with Chinese Characteristics,” which mainly consists of the mechanization and informatization of its military power, based on its military strategy to win a local war under informationized conditions, according to global trends in military developments observed in the Gulf War, the Kosovo War, the Iraq War and others. China appears to emphasize not only physical means but also non-physical means with respect to military affairs and warfare, incorporating the concept of “Three Warfares”—“Psychological Warfare,” “Media Warfare,” and “Legal Warfare”—into the tasks of the political work by military, and declaring a policy of “close coordination between military struggle and political, diplomatic, economic, cultural, and legal endeavors.”²

In China’s military modernization, backed by the stable relations with Russia and other neighboring states that share land borders with China, it is believed that China is giving the

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1-2 “Scientific Development Concept” chiefly consists of “adhering to standardized plans and consideration for all perspectives, maintaining a people-oriented position of establishing comprehensive, balanced and sustainable development concept and the need to promote complete economic, social, and human development.” (As commented by President Hu Jintao at the Third Plenary Session of the 16th Central Committee of the Communist Party of China (CCP) in October 2003) The construction of a “Harmonious Society” is defined as a process to continue dissolving social inconsistencies. The “Resolution on Major Issues Regarding the Building of a Harmonious Socialist Society” (adopted at the Sixth Plenary Session of the 16th Central Committee of the CCP in October 2006).

1-1 China’s National Defense in 2010.

2 China traditionally adopted the strategy of a “People’s War” based on the recognition that a world-scale war was possible. Under that strategy, the country attributed importance to guerrilla warfare using its vast territory and enormous population. This posture, however, led to harmful effects such as excessively enlarged and inefficient military forces. Under these circumstances, China has come to place importance on local wars such as conflicts that occur over its territorial land and waters since the first half of the 1980s based on a new recognition that a world-scale war will not take place on a long-term basis. After the end of the Gulf War in 1991, the country started to implement measures to improve its military operation abilities in order to win a local war under highly technological conditions. Recently, it has been stated that the core of military modernization is to strengthen capabilities to win a local war under informationized conditions.

3 China amended Regulations on the Political Work of the People’s Liberation Army in 2003 to add the practices of Media, Psychological, and Legal Warfare to its political work. The Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China (August 2010) of the U.S. Department of Defense explains Media, Psychological, and Legal Warfare as follows:

- Media Warfare is aimed at influencing domestic and international public opinion to build public and international support for China’s military actions and to dissuade an adversary from pursuing policies perceived to be adverse to China’s interests.
- Psychological Warfare seeks to undermine an enemy’s ability to conduct combat operations through psychological operations aimed at deterring, shocking, and demoralizing enemy military personnel and supporting civilian populations.
- Legal Warfare uses international and domestic laws to gain international support and manage possible political repercussions of China’s military actions.

top priority to handling of the Taiwan issue, more specifically to improving the capability to hinder the independence of Taiwan and foreign military support for Taiwan. Furthermore, in recent years, China has begun to work on acquiring capabilities for missions other than the Taiwan issue. As regards a long-term plan for China’s military modernization, China proclaims that it will “realize the basic mechanization and achieve a major progress in construction of informatization by 2020” and “by focusing on the capability to win a local war under informationized conditions, it will improve the abilities to accomplish diversified military missions and thoroughly complete the historical military missions in a new phase of the new century.” China appears to be aiming to develop a military force according to the development of national strength.

China is widely and rapidly modernizing its military forces, mainly its nuclear and missile force as well as navy and air force, and is strengthening its capability for extended-range power projection. In addition, China is working to improve joint operational capabilities among services and branches, to conduct practical exercises, to cultivate and acquire highly-capable human resources for administering operations of an informationized force, and to improve the foundation of the domestic defense industry. The People’s Liberation Army (PLA) still possesses outdated equipment, and the current military modernization efforts are believed to be undertakings that intend wholly to improve the military’s capabilities. Nevertheless, China does not disclose a clear, specific future vision of its military modernization. Furthermore, China has been expanding and intensifying its activities in its surrounding waters. Lack of transparency in its national defense policies, and its military activities are referred to as a matter of concern for the region and the international community, including Japan, which should require prudent analysis.

5 The U.S. Quadrennial Defense Review (QDR) (February 2010) states that it will be necessary to retain the capacity to protect the United States and its allies in an environment wherein states with a wide range of sophisticated weapons exercise anti-access capability to impede the deployment of U.S. forces. It points out that “China is developing and fielding large numbers of advanced medium-range ballistic and cruise missiles, new attack submarines equipped with advanced weapons, increasingly capable long-range air defense systems, electronic warfare and computer network attack capabilities, advanced fighter aircraft, and counter-space systems.” The U.S. National Military Strategy (NMS) (February 2011) also points out that “We remain concerned about the extent and strategic intent of China’s military modernization, and its assertiveness in space, cyberspace, in the Yellow Sea, East China Sea and South China Sea,” and states that the United States is prepared to demonstrate the will and commit the resources needed to oppose any nations that jeopardize access to and use of the global commons and cyberspace, or that threaten the security of its allies.

6 China’s National Defense in 2008 explains that “with the focus of attention on performing the historical missions of the armed forces for the new stage in the new century and with raising the capability to win local wars in conditions of informationization at the core, it works to increase the country's capabilities to maintain maritime, space and electro-magnetic space security and to carry out the tasks of counter-terrorism, stability maintenance, emergency rescue and international peacekeeping.” In addition, China’s National Defense in 2010 describes the diversified military missions by the following seven topics: “Safeguarding Border, Coastal and Territorial Air Security,” “Maintaining Social Stability,” “Participating in National Construction, Emergency Rescue and Disaster Relief,” “Participating in U.N. Peacekeeping Operations,” “Conducting Escort Operations in the Gulf of Aden and Waters off Somalia,” “Holding Joint Military Exercises and Training with Other Countries,” and “Participating in International Disaster Relief Operations.”

7 China’s National Defense in 2010. China’s National Defense in 2008 also mentions a target to “by and large reach the goal of modernization of national defense and armed forces by the mid-21st century.”

8 China’s National Defense in 2010 states that “in the last two years, senior PLA delegations have visited more than 40 countries, and defense ministers and chiefs of general staff from more than 60 countries have visited China.”

9 China disclosed some fighter aircraft and submarines which had previously been generally undisclosed to foreign delegates, including delegates from Japan, at the 60th anniversary of the foundation of the Navy (in April) and of its Air Force (in November), which were held in 2009. This is thought to be a sign of its posture of working to improve transparency with regard to the military. Furthermore, the Chinese Ministry of Defense expressed that it would hold monthly regular press conferences from April 2011, as well as a press conference with regard to specific topics such as a publication of its white paper.

2 Military Transparency

China has not disclosed specific information on its possession of weapons, procurement goals or past procurements, the organization and locations of major units, records of main military operations and exercises, or a detailed breakdown of the national defense budget.

China has released defense white papers titled China’s National Defense every two years since 1998, and the nation also conducts a lot of dialogue with national defense authorities of other countries. Furthermore, in August 2007, China expressed its will to return to the United Nations Register of Conventional Arms and to participate in the United Nations Instrument for Reporting Military Expenditures, and has submitted annual reports based on each system.

In this manner, China has regularly published compiled documents on its national security while reintegrating itself into and commencing participation in U.N. systems regarding armaments and military expenditures. These and other efforts can be appreciated as a contribution to improving the transparency of its military capabilities.

However, China has not yet achieved the levels of transparency expected of a responsible major power in the international society. For example, as for a detailed breakdown
of national defense spending, China basically announced only the total amount and general purposes for the three categories: personnel, training and maintenance, and equipment. Slight progress was seen in China’s National Defense in 2008 in terms of information disclosure, but it does not provide a basic breakdown such as procurement costs for major weapons. Moreover, the report for the United Nations Instrument for Reporting Military Expenditures submitted by China in 2009 was not filled in accordance with the standard format used by Japan and many other nations, whereby a detailed breakdown of military expenditure is required; the information disclosed was almost as simple as that provided in China’s defense white papers.

Details have yet to be disclosed regarding the cause of the breach of international law in November 2004, where a submerged Chinese nuclear-powered submarine navigated in Japanese territorial waters. Moreover, in January 2007, when China conducted an anti-satellite weapons test, the Chinese government gave an insufficient explanation of the details and intention of the test to allay Japan’s concerns. In November 2007, China sent notification indicating a refusal for U.S. naval vessels including U.S. aircraft carrier Kitty Hawk to pull into Hong Kong on the expected day of arrival, but then later revised their notice and allowed the vessels to port. However, the U.S. naval vessels had already abandoned their port and changed course. In addition, in October 2010, since China sent notification to the Maritime SDF training squadron of its request to postpone their port call to Qingdao just before the expected day of arrival, the squadron had to cancel their visit. These incidents incite concern over China’s decision-making and behavior concerning its military.

China is steadily growing as a major political and economic power, and its military power also attracts attention from other countries. In order to allay concerns over China, it is becoming more and more important for China itself to improve transparency of its national defense policy and military capability. It is hoped that China will increase transparency concerning its military affairs by disclosing specific information pertaining to its defense policies and military capabilities.

3 National Defense Budget

China announced a national defense budget for FY2011 of approximately 583.6 billion yuan. The initial budget amount announced represented a growth of approximately 12.4% (approximately 64.5 billion yuan) compared to the initial budget amount for the previous fiscal year. China still maintains a high growth rate, with its announced national defense budget continuing to increase at a rapid pace. The nominal size of China’s announced national defense budget has more than doubled in size over the past five years, and has grown approximately 18-fold over the past 20 years. As regards the relationship between defense and the economy, China positions the buildup of defense capabilities as important as a task as economic development, explaining that it “adheres to the principle of coordinated development of national defense and economy” in China’s National Defense in 2010. Accordingly, it is believed that China will continue to input resources for the improvement of its defense capabilities within the range of not hampering its economic development.

In addition, it must be noted that the amount of the defense budget announced by China is considered to be only part of its actual military expenditures. For example, it is believed that the announced defense budget does not include all the equipment procurement costs and research and development expenses.

(See Fig. I-2-3-1)
4 Military Posture

China’s military forces are composed of the People’s Liberation Army (PLA), the People’s Armed Police Force (PAP) and the militia. It is provided that these bodies be instructed and commanded by the Central Military Commission. The PLA is defined as a people’s army created and led by the CCP, comprising the Army, the Navy, the Air Force, and the Second Artillery Force (strategic missile force).

(1) Nuclear and Missile Forces

China has continued independent efforts to develop nuclear capabilities and ballistic missile forces since the middle of the 1950s, seemingly with a view to ensuring deterrence, supplementing its conventional forces, and maintaining its voice in the international community. With regard to the nuclear strategy, it is recognized that China employs a strategy where it can deter a nuclear attack on its land by maintaining nuclear force structure able to conduct retaliatory nuclear attacks to a small number of targets such as cities in the enemy country.

China possesses various types and ranges of ballistic missiles: intercontinental ballistic missiles (ICBM), submarine-launched ballistic missiles (SLBM), intermediate range ballistic missiles/medium range ballistic missiles (IRBM/MRBM), and short range ballistic missiles (SRBM). The survivability and readiness of China’s ballistic missile forces are under improvement by updating liquid propellant type to a solid propellant one. Moreover, it is also believed that China is working to increase performance by extending ranges, improving precision, introducing MIRV and other means.

China has developed the DF-31, which is a new mobile-type ICBM with a solid fuel propellant system mounted onto a Transporter Erector Launcher (TEL), and the DF-31A, an extended model of the DF-31, which appears to have already begun to be deployed. Regarding SLBMs, the country cur-
Part I  Security Environment Surrounding Japan

Section 3  China

### East Sea Fleet
(Headquarters: Ningbo)

### South Sea Fleet
(Headquarters: Zhanjiang)

### North Sea Fleet
(Headquarters: Qingdao)

#### Group troops
- Tanks
- Warships
- Destroyers & frigates
- Submarines
- Marines
- Combat aircraft
- Modern fighters aircraft

#### Modern fighters aircraft
- J-10×144
- Su-27×194
- Su-30×97
- (Fourth-generation fighters 435 aircraft)

#### Reference
- Population
- Term of service

**China**
- Approx. 2.3 million troops
- Approx. 1.6 million troops
- Type-98A/99, Type-96/A, Type-88A/B and others
- Approx. 7,850 vehicles
- Approx. 950 vessels/1.341 million tons
- Approx. 80 vessels
- Approx. 55 vessels
- Approx. 5,500 troops
- Approx. 2,040 aircraft
- J-10×144
- Su-27×194
- Su-30×97
- (Fourth-generation fighters 435 aircraft)

**Taiwan (Reference)**
- Approx. 290,000 troops
- Approx. 200,000 troops
- M-60, M-48A/H and others
- Approx. 1,830 vehicles
- Approx. 330 vessels/208,000 tons
- Approx. 30 vessels
- Approx. 4 vessels
- Approx. 15,000 troops
- Approx. 530 aircraft
- Mirage 2000×57
- F-16×146
- F-CK-1 (IDF) x128
- (Fourth-generation fighters 331 aircraft)

Source: The Military Balance 2011 and others.
The Annual Threat Assessment of the Director of National Intelligence of the United States published in February 2009 states that China is developing conventionally armed short- and long-range ballistic missiles with maneuverable re-entry vehicles (MaRV) that could be used to attack U.S. naval forces and airbases. Moreover, in January 2011, then Secretary of Defense Robert Gates expressed concerns about the development of the anti-ship cruise and ballistic missiles ever since he took his job, and stated that the development has proceeded fairly. In addition, in February of the same year, a Chinese newspaper reported military experts saying that China has already started the deployment of anti-ship ballistic missiles “Dong Feng (DF)-21D” mainly to strike marine targets.

In its Annual Report of November 2010, the U.S.–China Economic Security Review Committee pointed out that China could attack five out of the six main U.S. Air Force bases in East Asia with its normal missiles (ballistic missiles and ground-launched cruise missiles), and also have the ability to target air bases in Guam by enhancing the capability of its bombers.

U.S. Defense Department’s Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China (August 2010) states that by December 2009 China had deployed 1,050 to 1,150 SRBMs on the shore opposing Taiwan, and it is engaged in efforts to increase offensive capability, including the introduction of derived models with improved ranges, accuracies and payloads.

Besides this, in March 2011, Taiwan’s National Security Bureau Director Tsai Der-sheng said that China has developed and deployed new “DF-16” missiles. These are highly powerful long-range missiles and will mainly be used against Taiwan and U.S. military intervention operations, he said.

At the press conference on the day after it was announced that the test had been carried out, a spokesperson from China’s Ministry of Foreign Affairs said, “The test would neither produce space debris in orbit nor pose a threat to the safety of orbiting spacecraft. The test was defensive in nature and targeted at no country. It is consistent with the defensive national defense policies that China has consistently pursued.” On the other hand, China’s National Defense in 2010 explains that “China maintains that the global missile defense program will be detrimental to international strategic balance and stability, will undermine international and regional security, and will have a negative impact on the process of nuclear disarmament. China holds that no state should deploy overseas missile defense systems that have strategic missile defense capabilities or potential, or engage in any such international collaboration.”

China’s National Defense in 2010, etc.

(3) Naval Forces

The naval forces consist of three fleets — the North Sea, East Sea, and South Sea Fleets. The Chinese Navy has approximately 950 ships (including approximately 50 submarines), with a total displacement of approximately 1.34 million tons. The navy is in charge of the maritime national defense and protecting the sovereignty of territorial waters and maritime
rights and interests. The Chinese Navy introduced modern Kilo-class submarines from Russia and is actively constructing new types of domestic submarines to enhance its submarine force. Additionally, the Navy is increasing surface combatant ships with improved air defense and anti-ship missile capabilities, and is increasing and improving landing ships and supply ships. Also, a large hospital ship was commissioned in October 2008. In view of these developments in the modernization of the Chinese Navy, it is believed that China is trying to build capabilities to perform operations in areas more distant from China’s shore.

This hospital ship, “Daishandao” (commonly known as the “Peace Ark”), is reported to have toured around the coast of the Chinese continent and the islands and reefs of the Spratly and Paracel Islands for the span of roughly a month beginning in October 2009, delivering medical services to the stationed military personnel and inhabitants there. Moreover, this ship was also commissioned for medical services duty “Mission Harmony-2010” from August 2010 to November 2010 and provided medical support to the Chinese naval warships in action in the Gulf of Aden. Besides these, this ship is also reported to have visited the five countries of Djibouti, Kenya, Tanzania, Seychelles and Bangladesh for providing medical services.
With regard to the possession of aircraft carriers, Chinese Defense Minister General Liang Guanglie and a number of senior military officials have made positive remarks about possessing aircraft carriers. China also purchased Varyag, an incomplete Kuznetsov-class aircraft carrier, from Ukraine, and has carried out renovations. In addition, it has constructed a structure replicating an aircraft carrier on land and is developing an airfield for training its forces in taking off and landing aircrafts. Based on these facts, it is believed that China is currently advancing research and development on technology necessary for the possession of aircraft carriers.

(4) Air Forces

The Chinese Air Force and Navy have approximately 2,040 combat aircraft in total. The number of fourth generation modern fighters is rising steadily. China is domestically mass producing J-10 fighters and carried out import and licensed production of Su-27 fighters as well as importing Su-30 fighters equipped with anti-surface and anti-ship attack capabilities from Russia. Moreover, it is believed that China has continued to develop its next generation fighter domestically. China is importing highly sophisticated long-range surface-to-air missiles from Russia in order to improve air defense capabilities. It is making continuous efforts to improve its in-flight refueling capabilities and early warning and control system, which are essential for the operation of a modern air force. Furthermore, it is reported that China has a plan to import a number of large cargo aircraft from Russia.

China has also begun to enhance the electronic warfare and intelligence gathering capabilities of its aircraft in addition to increased efforts in actual reconnaissance flights against surrounding countries. In recent years in particular, Chinese air activities that appear to be some form of information gathering against Japan have been observed. Also, in September 2007, H-6 medium-range bombers flew into the Japanese air defense identification zone over the East China Sea to advance near to the Japan—China median line. In March 2010 a Y-8 early warning aircraft similarly flew to advance near to the Japan—China median line. Then, in March 2011 a Y-8 patrol aircraft and Y-8 intelligence gathering aircraft crossed the Japan—China median line and flew nearly 50 km into the Senkaku Island territorial airspace of Japan. What is more, it has also been reported that Air Force fighters and other aircraft are engaged in training that involves in-flight refueling over the South China Sea.

Judging from this modernization of air forces and the activities by aircraft, it is believed that China is improving its air defense capabilities for its national territory, aiming to...
China's National Defense in 2008 explains that China's Air force is "working to accelerate its transition from territorial air defense to both offensive and defensive operations, and increase its capabilities for carrying out reconnaissance and early warning, air strikes, air and missile defense, and strategic projection, in an effort to build itself into a modernized strategic air force." The U.S. Department of Defense's Annual Report on Military Power of the People’s Republic of China (May 2006) points out that the goal of the PLA Air Force is "to develop a mobile, all-weather, day-night, low altitude, and over-water force that is capable and flexible enough to quickly perform multiple operational tasks and to project power beyond the first island chain." The Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China (August 2010) of the U.S. Department of Defense explains that China's air force has continued its conversion from a force for limited territorial defense to a more flexible and agile force able to operate off-shore in both offensive and defensive roles, using the U.S. and Russian air forces as models. In the joint military exercise “Peace Mission 2010” (October 2010) that China and Russia participated in, among other countries, China's battle group comprising two H-6 bombers and two J-10 fighters, supported by early warning aircraft and air refueling tankers, made a round-trip flight of a route that spanned 1,000 km each way without landing, and conducted air-to-ground exercises.

In September 2008, China launched the manned spacecraft “Shenzhou-7” and its astronauts successfully carried out extra-vehicular activities for the first time. China also launched a lunar orbiting satellite “Chang’e-2” in October 2010 and has scheduled the launch of space laboratory “Tiangong 1” in 2011. This shows that China is looking to further push the program for constructing space stations, etc. China’s National Defense in 2006 notes that, regarding science, technology and industry for national defense, “Major scientific and technological projects such as manned space flights and the Lunar Probe Project, carried out to spur the leapfrogging development of high-tech enterprises and to bring about overall improvement in defense-related science and technology.” Also, the entire manned space project is said to be commanded by the Director of the PLA’s General Armaments Department.

For example, Air Force Commander Xu Qiliang is reported to have said, “China’s Air Force has established a strategy of having both offensive and defensive unified aerospace capabilities.” U.S. Department of Defense's Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China (August 2010) points out that, “The PLA has established information warfare units to develop viruses to attack enemy computer systems and networks, and tactics and measures to protect friendly computer systems and networks. These units include elements of the militia, creating a linkage between PLA network operators and China’s civilian information technology professionals.”

China's National Defense in 2010 states “maintaining its security interests in space, electromagnetic space and cyberspace” as one of the main targets/tasks in its national defense policy for the new stage.

Concerning the Chinese military forces, there is a view that believes that by turning exception into normality through uniform peacetime and wartime force deployment and exceeding traditional activity spaces, they intend to desensitize the alertness of others and make the international society tolerate and accept changes in the situation. (Taiwan’s 2009 National Defense Report).

Activities in the Ocean

(1) Situation of Activities in Waters Near Japan

China has been expanding and intensifying its maritime activities in recent years. With regard to its activity in waters near Japan, Chinese naval vessels have been observed conducting what appeared to be training exercises or information gathering activities. Chinese government ships have also been observed engaging in monitoring activities for the protection of maritime rights and interests.

Advancements to the Pacific Ocean by Chinese naval
China's National Defense in 2006 states, "The Navy aims at gradual extension of the strategic depth for offshore defensive operations." Additionally, with regard to Chinese Navy training, Chinese Navy Commander Wu Shengli is reported to have stated in April 2009 that, "Open sea training has been normalized." What is more, China's National Defense in 2010 states, "By organizing naval vessels for drills in distant waters, develops training models for MOOTW (military operations other than war) missions." This was the first identified passage by Chinese surface combatants through the Tsugaru Strait.

In April 2010, 10 naval vessels, including Kilo-class submarines and Sovremenny-class destroyers, passed the channel between Okinawa Island and Miyako Island and headed to the waters west of Okinotori Island, before engaging in apparent drills. In July 2010, two naval vessels including a Luzhou-class destroyer passed between the main island of Okinawa and Miyako Island and advanced to the Pacific Ocean. On top of that, in June 2011, 11 vessels including Sovremenny-class destroyers and a Jiangkai II-class frigate passed between Okinawa Island and Miyako Island and advanced to the Pacific Ocean. Besides carrying out target practices, they also carried out unmanned aircraft and shipborne helicopter flight trainings as well as replenishments at sea. In addition to such military activities,

it has been confirmed that China’s law enforcement agency has intensified its monitoring activities in waters near Japan in recent times. In addition, in September 2010, a Chinese fishing trawler collided with patrol vessels of the Japan Coast Guard within the territorial waters near Senkaku Islands.

In addition, a submerged Chinese nuclear-powered submarine navigated in Japanese territorial waters in November 2004, breaching international law. In September 2005, it was confirmed that a total of five Chinese naval vessels, including one Sovremenny-class destroyer, were sailing near the Kashi gas field (Tianwaitian in Chinese) in the East China Sea and some of them circled around the said gas field. In October 2006, a Chinese Song-class submarine surfaced in the vicinity of the U.S. aircraft carrier Kitty Hawk in international waters reportedly near Okinawa. The foreign submarine’s approach to a U.S. aircraft carrier is a militarily noteworthy incident.

In December 2008, two Chinese maritime research ships of the State Oceanic Administration conducted navigation operations not permitted to foreign ships under international law such as hovering and cruising within the territorial waters of Japan near the Senkaku Islands. In March and April 2011, there have been multiple instances of Chinese helicopters that appeared to belong to the State Oceanic Administration, flying close to the Japanese destroyers engaged in vigilance monitoring in the East China Sea.

Besides activities in waters near Japan, China is intensifying its activities in the South China Sea that contains the Spratly Islands and Paracel Islands, over which it is engaged in territorial disputes with neighbors, including some ASEAN countries. In March 2009, Chinese ships including a naval

surface vessels have also been confirmed. For example, in October 2008, four Chinese naval vessels, including a Sovremenny-class destroyer, passed through the Tsugaru Strait and sailed south to the Pacific Ocean to circle Japan. In November 2008, four naval vessels, including a top-of-the-line Luzhou-class destroyer, passed between Okinawa Island and Miyako Island and headed to the Pacific Ocean. In June 2009, five naval vessels, including a Luzhou-class destroyer, passed between Okinawa Island and Miyako Island and headed to the waters northeast of Okinotori Island before engaging in apparent drills. In March 2010, six naval vessels, including a Luzhou-class destroyer, passed between Okinawa Island and Miyako Island and headed to the Pacific Ocean. These vessels were reported to have advanced to the South China Sea. In April 2010, 10 naval vessels, including Kilo-class submarines and Sovremenny-class destroyers, passed the channel between Okinawa Island and Miyako Island and headed to the waters west of Okinotori Island, before engaging in apparent exercises. At the time, Chinese shipborne helicopters flew very close to the Japanese destroyers monitoring the vessels a couple of times. In July 2010, two naval vessels including a Luzhou-class destroyer passed between the main island of Okinawa and Miyako Island and advanced to the Pacific Ocean. On top of that, in June 2011, 11 vessels including Sovremenny-class destroyers and a Jiangkai II-class frigate passed between Okinawa Island and Miyako Island and advanced to the Pacific Ocean. Besides carrying out target practices, they also carried out unmanned aircraft and shipborne helicopter flight trainings as well as replenishments at sea. In addition to such military activities,

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vessel, a maritime research ship of the State Oceanographic Administration, a Bureau of Maritime Fisheries patrol ship, and trawlers approached a U.S. Navy acoustic research ship operating in the South China Sea to obstruct its operations. Other incidents also occurred in the same month. In March 2010, exercises were reportedly conducted with the deployment of six vessels to the South China Sea over three weeks, and in July the same year, it was reported that a large-scale, multi-branch joint live-ammunition exercise was conducted and included surface vessels and naval air forces. Furthermore, in recent years, there has been growing friction among China and its neighboring countries over the South China Sea, highlighted through protests by Vietnam and the Philippines against China’s activities in these waters.

Director of National Intelligence Dennis Blair testified before the U.S. Senate Armed Services Committee on March 10, 2009, that “in the past several years, they [Chinese] have become more aggressive in asserting claims for the EEZ.” The U.S. Defense Department’s Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China released in August 2010 notes that “the United States and China continue to have differences over the rights of coastal states in their exclusive economic zones, and the appropriate response to such differences.”
Chapter 2
Defense Policies of Countries

Section 3  China

(2) Objectives of Activities in Waters Near Japan
Taking into general consideration relevant factors including China’s geographic location and economic globalization as well as the fact that China explicitly states in its laws and other means that its navy assumes the role of safeguarding maritime rights and interests and protecting maritime safety, maritime activities by the Chinese navy and other organizations are considered to have the following objectives.

The first objective is to intercept naval operations by enemies in waters as far as possible from the country in order to defend Chinese territory and territorial waters. Behind this is an increase in effectiveness of long-range attacks due to recent progress in science and technology.

The second is to develop military capabilities to deter and prevent Taiwan’s independence. For example, China maintains that it will not allow any foreign intervention in solving the Taiwan issue and realizing the unification of China. If China aims to hold back by force foreign intervention into Taiwan, which is surrounded by the sea, it needs to enhance its military operational capabilities at sea.

The third is to acquire, maintain, and protect maritime rights and interests. China is engaged in exploring and drilling oil and gas fields as well as building facilities and surveying for such facilities in the East China Sea and South China Sea. It is believed that the aims of the naval vessels operating near the drilling facilities of the Kashik oil and gas fields in September 2005 included the demonstration of their naval capabilities of acquiring, maintaining, and protecting maritime rights and interests.

The fourth is to defend the sea lanes of communications for China. The background of this is the fact that the sea lanes of communications, including crude oil transportation routes from the Middle East, are extremely important lifelines for the increasingly globalizing Chinese economy. It depends on future international situations at the time as to how far the Chinese Navy should defend the sea lanes of communications by itself, but given recent modernization of the Chinese Navy and Air Force, the scope of their capabilities is believed to expand beyond waters near China.

Given the objectives and recent trends in such maritime activities implemented by China, it is believed that China plans to expand its sphere of maritime activities, carrying out operations and training as an ordinary routine practice in waters surrounding Japan, including the East China Sea and the Pacific Ocean as well as the South China Sea. Therefore, attention needs to be paid to such activities, including the operation of naval vessels and various surveillance operations near Japan, development of facilities that serve as bases for these activities, and the development of own interpretations regarding the legal status of coastal areas in China’s exclusive economic zones.

6 International Military Activities

In recent years, the PLA has begun emphasizing nontraditional missions such as peacekeeping, humanitarian assistance and disaster relief, and anti-piracy. In order to carry out these missions it is becoming more active in dispatching units overseas. The backdrop for this stance on international military activities is believed to be the fact that China’s national interests have expanded beyond its national borders, thereby increasing its need to protect and promote its national interests overseas. It is also seen as being backed by China’s intent to strengthen its stature by demonstrating its will to fulfill its responsibilities to the international community as a great power.

China states that it consistently supports and actively participates in U.N. peacekeeping operations. According to China’s National Defense in 2010, the country has sent a total of 17,390 military personnel to U.N. peacekeeping operations. According to the United Nations, as of the end of May 2011, China had deployed a total of 2,036 personnel, police officers,
and military observers to 11 U.N. peacekeeping operations, including the United Nations Mission in Liberia (UNMIL), the United Nations Mission in Sudan (UNMIS), and the United Nations Stabilization Mission in Haiti (MINUSTAH), thus showing a certain presence in peacekeeping operations. China's aim in its proactive attitude to U.N. peacekeeping operations is seen to include its intent to strengthen relations with the regions where the peacekeeping operations are conducted, particularly with regard to relations with African nations.

Furthermore, China has also been taking part in international initiatives to deal with piracy off the Somali coast and in the Gulf of Aden. As its first mission in distant waters, the Chinese Navy has dispatched vessels to these waters since December 2008 to make them escort Chinese and other ships. This demonstrates that the Chinese Navy is improving its capacity to execute naval operations in increasingly distant waters. It is also thought to be an expression of the fact that China is placing a greater emphasis on protecting its own sea lanes of communication.

In view of the deteriorating situation in Libya, China has carried out an evacuation operation of Chinese nationals from the country from February through March 2011. As part of this operation, China dispatched a naval frigate and military transportation aircraft to Libya in addition to the private chartered aircraft. This is the first participation of the military in an evacuation operation of Chinese nationals living abroad, and it has been pointed out that through such activities China is trying to build a pacifist and humanitarian image of its military forces and demonstrate, both domestically and internationally, its intent to and place priority on military operations other than war, as well as its desire to prove the ability to project its military power to distant locations.

# 7 Education and Training

In recent years, the PLA has been conducting practical exercises and large-scale exercises, including cooperative exercises of the Army, Navy, and Air Force and landing exercises in order to modernize its operational capability. The whole PLA military training conference held in 2006 emphasized promoting a shift from military training under the conditions of mechanization to military training under the conditions of informatization. The new Outline of Military Training and Evaluation, in effect since 2009, highlights training for military operations other than war (MOOTW), education in the knowledge and expertise required for informatization, simulated training of high-tech weapons and equipment, network training and training in complex electromagnetic environments where electronic interference occurs, in addition to joint exercises by different services.

In the education spectrum, the PLA aims to develop military personnel versed in science and technology. In 2003, a human resource strategy project was launched to develop human resources capable of directing informatized operations and of building informatized armed forces. The project has a goal of achieving a big leap in the development of military personnel to 2020. In recent years, the PLA appears to be increasing its wage standards, and it is believed that the objective of this is to secure highly capable human resources. Moreover, in 2000, in order to recruit highly capable and highly educated people, the military started a system where civilian college students are provided with scholarships and then allowed to enter the military as commissioned officers after graduation.

China has been developing a mobilization system with a view to effective use of civilian resources in the case of war and other emergency. In February 2010, China enacted the National Defense Mobilization Law, which is the basic law for wartime mobilization, and in July the same year put the law into effect.

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53 China’s National Defense in 2010 notes that the Chinese Navy has developed its capabilities of conducting operations in distant waters and in countering nontraditional security threats. Chinese Navy Admiral Wu Shengli states the following with regard to “Mission Harmony-2010,” a medical service operation implemented by the “Daishandao” hospital ship (commonly known as the “Peace Ark”) of the People’s Liberation Army Navy from the August to November: “The mission embodies the Chinese Navy’s capacity to accomplish diversified military missions, and thus improves our comprehensive support abilities. At the same time, it showcases our image as a responsible major power that proactively pursues its international obligations.”

54 China’s National Defense in 2010 states that the People’s Liberation Army accelerates the transition to military training in conditions of informatization, and notes that in the future the army will, in addition to building joint operation systems, carry out MOOTW training and organize training exercises in complex electromagnetic environments.

55 China’s National Defense in 2010 states the following. “China pursues the principles of combining peacetime needs with wartime needs, integrating military with civilian purposes and combining military efforts with civilian support. It strengthens national defense mobilization and reserve force building, enhances national defense mobilization capabilities, and reinforces its defense strength.”
8 National Defense Industry Sector

While China imports highly sophisticated equipment and parts that it cannot produce domestically from other countries such as Russia, it is believed to place emphasis on indigenous production of military equipment. The country manufactures much of its equipment domestically and is now actively making research and development efforts on new equipment. China’s national defense industry sector appears to be developing due to an improvement of private industry infrastructure accompanying economic growth, use of dual technologies, and the absorption of foreign technologies, as well as its own efforts. The sector is working as a base for the modernization of China’s military.56

Favorable growth in the Chinese defense industry was once hindered by inefficiency caused by excessive secrecy and other factors; however, in recent years, reform of the defense industry has progressed. In particular, emphasis has been placed on two-way technological exchanges where military technologies are utilized for building the national economy, and in turn civilian technologies are absorbed for a buildup of national defense. Specifically, the technologies of the defense industry have contributed to the development of civilian space exploration, the aviation industry, and the shipbuilding industry.

Furthermore, China maintains that it encourages and supports international cooperation and competition in dual-use industries, thus appearing to have interest in absorbing foreign technologies through dual-use industries.

3 External Relations

1 General Situation

In its relationships with other countries, China proactively develops military exchanges including reciprocal visits by senior military officials and joint military exercises. In recent years, China has been engaged in vigorous military exchanges not only with major powers such as the United States and Russia and with neighboring countries including Southeast Asian countries, but also with countries in Africa and Latin American countries. China is believed to regard military exchange as a strategic means to safeguard national interests, and as such to position it as an element in the overall diplomatic strategy of the country.1 The objectives of China’s efforts to promote military exchange include alleviation of concerns regarding China through strengthening of relations with other countries, creation of a favorable security environment, and enhancement of China’s influence in the international community. In these efforts, China is also mindful of goals such as securing of energy resources and foreign bases.

2 Relations with Taiwan

China holds the principle that Taiwan is a part of China, and that the Taiwan issue is therefore a domestic issue. The country maintains that the “one-China” principle is the underlying premise and foundation for discussions between China and Taiwan. China also claims that it would never abandon efforts for peaceful unification, expressing that it will take policy and measures to solve issues of Taiwanese people’s interest and protect their due authority, while it has also repeatedly stated that it has not renounced the use of force from the standpoint of strong opposition to any intervention in the unification of China by foreign powers as well as any move toward independence of Taiwan. The Anti-Secession Law, enacted in March 2005, stipulates that China will be able to protect its national sovereignty and territories through non-peaceful means and other necessary measures in the event that Taiwanese separatist forces bring about Taiwan’s separation from China under any pretext or through any means, resulting in the serious situation which may lead to Taiwan’s separation from China, or which may bring about a complete elimination of the possibility of peaceful reunification (Article 8), and clearly lays out the non-renunciation of the use of military force by China.

56 The U.S. Defense Department’s Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China released in August 2010 notes about China’s defense industry that the shipbuilding and defense electronics sectors have witnessed the greatest progress, coupled with technological development in the sectors of missile and space systems. In contrast, the sectors of guidance and control systems and engines and advanced applications and software have experienced slower progress, and China still heavily depends on foreign enterprises for technologies in these sectors.

1 China’s National Defense in 2010 states that “China develops its military relations with foreign countries in a comprehensive manner, continues to strengthen its practical exchanges and cooperation with the armed forces of other countries, and strives to foster a military security environment featuring mutual trust and benefit.” Major General Qian Lihua, director of the Defense Ministry’s Foreign Affairs Office, stated that military diplomacy, including various forms of exchange with foreign countries, serves as a strategic means for safeguarding state sovereignty, security, and interests of development, and also performs a specific role in the fostering of a positive external environment for the development of China.
Ma Ying-jeou, who took office in May 2008, advocates a policy of pursuing Taiwanese economic development through expanding economic exchange with China and the status quo rather than independence. The leaders of both sides’ authorized organizations for cross-strait talks met for the first time in 10 years in June 2008, and direct chartered passenger weekday flights, direct maritime links, and direct mail services between China and Taiwan began in December 2008. In June 2010, an Economic Cooperation Framework Agreement (ECFA), which would be equivalent to a Free Trade Agreement (FTA) between the two sides, was concluded. As these and other moves show, relations between the two sides move forward centered mainly around the realm of economics. On the security front, while President Hu Jintao made appeals for China and Taiwan to make contact and hold exchanges over military issues at an appropriate time, and explore the creation of mechanisms for building mutual trust over military security, President Ma Ying-jeou has expressed demands including withdrawal of the Chinese missiles which are pointed at Taiwan. Attention will be paid to trends in the future relations between China and Taiwan.

3 Relations with the United States

There are various outstanding problems between the United States and China, such as human rights in China, the Taiwan issue, and trade issues. However, since a stable U.S.–China relationship is essential for China in developing its economy, it is believed that China will continue to desire to maintain that stable relationship.

The United States expresses that it welcomes a China that takes on a responsible leadership role in working with the international community over international issues such as the recovery of the world economy and proliferation of WMDs. The United States proclaims that it will monitor the Chinese military’s modernization, and while it recognizes that the two nations do not agree on every issue and makes it clear that it will be candid on human rights and other issues, it also states that disagreement between the two should not prevent cooperation on issues of mutual interest.

On the Chinese side President Hu Jintao stated that China and the United States would work together to build a positive, cooperative, and comprehensive relationship in the twenty-first century. China thus shows its stance of emphasizing the stable development of U.S.–China relations through pragmatic cooperation over an extensive array of fields.

Military exchanges have also developed between China and the United States. The countries have been conducting various policy dialogues. China has dispatched observers to U.S. military exercises, and joint drills have been conducted between the Chinese and U.S. navies on mutual port visits by naval vessels. A military hotline between the defense departments of the two countries was set up in April 2008. But while China wants to develop relations between the Chinese and U.S. militaries, it asserts that there are a number of issues that must be resolved in order to realize sound development in said relations. These include arms sales to Taiwan, the activities of U.S. military vessels and aircraft within China’s exclusive economic zones, legal hurdles in mutual military exchanges, and a lack of strategic trust in China on the part of the United States. Some unstable facets have been observed in the military exchanges of the two countries, such as the notification of suspensions of the major military exchanges with the United States when the U.S. Department of Defense notified Congress of arms sales to Taiwan in October 2008 and January 2010. On the other hand, the United States maintains that

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2 The organizations authorized to deal with cross-strait talks are the Association for Relations Across the Taiwan Straits (ARATS) on the Chinese side and the Straits Exchange Foundation (SEF) on the Taiwanese side.

3 Discourse at the discussion on December 31, 2008, commemorating the 30th anniversary of the announcement of Message to Compatriots in Taiwan. China’s National Defense in 2010 stresses that the two sides “can hold contacts and exchanges on military issues at an appropriate time and talk about a military security mechanism of mutual trust.”

4 Remarks by Vice Chairman of the Central Military Commission (CMC) Xu Caihou in a conference with then Secretary of Defense Robert Gates (October 2009). Deputy Chief of the People’s Liberation Army General Staff Department Ma Xiaotian stated at the 11th round of the U.S.–China Defense Consultative Talks held in December 2010 that U.S. arms sales to Taiwan, U.S. laws that impose restrictions on contacts between the military forces of the two countries, and the frequent military reconnaissance operations conducted by U.S. naval vessels and aircraft in coastal areas of China’s exclusive economic zones constituted key obstacles to developing stable military-to-military ties.

5 In January 2011, then U.S. Secretary of Defense Robert Gates paid his second visit to China since November 2007 and held talks with Minister of National Defense Liang Guanglie. The two leaders reached a consensus for full-fledged resumption of contacts between the military forces of the United States and China, including reciprocal visits by high-level officials, an activity which had been put on hold since January 2010.
China’s military development, lack of transparency, and other issues raise questions about its future conduct and intentions. It asserts that U.S.–China relations must be undergirded by a process of enhancing confidence and reducing mistrust. For that reason, with regard to military exchanges, it is believed that the aim of the United States is to improve the current situation, wherein such exchanges are frequently suspended once problems arise, and to build relations that are capable of maintaining more stable channels for mutual understanding. In recent years, for instance, Strategic Security Dialogues have been established (May 2011) in U.S.–China Strategic and Economic Dialogues, among other efforts.

4 Relations with Russia

Since the China–Soviet confrontation ended in 1989, both countries have continuously maintained a stance of placing importance on their bilateral relationship. The deepening of the “strategic partnership” between China and Russia, which was established in the mid-1990s, has been emphasized. In 2001, the China–Russia Treaty of Good-Neighborliness and Friendly Cooperation was concluded. Subsequently in 2004, the long-standing issue of border demarcation between the two countries, which once evolved into a military clash, came to a settlement. The two countries share a common idea that they will promote the multipolarization of the world and building of a new international order. In addition, economic motives have been driving the good relationship between them in recent years.

On the military front, since the 1990s, China has purchased modern weapons from Russia, including Su-27 and Su-30 fighter aircraft, Sovremenny-class destroyers, and Kilo-class submarines. Russia is currently the largest supplier of weapons to China; however, some point out that their trade amounts have been on the decline in recent years due to the advancement of indigenous weapon production in China.

It is also pointed out that Russia, which shares a land border with China, has a policy of not supplying such sophisticated weapons to China that would cause a threat to Russia itself.

China–Russia military exchanges include regular visits by high-ranking army officials and joint military exercises.

They conducted their first joint exercise in the Shandong Peninsula and other areas in China in August 2005. In August 2007, a joint anti-terrorism exercise was conducted by the member states of the Shanghai Cooperation Organization (SCO). In addition, Russia and China held “Peace Mission 2010,” a joint military exercise consisting of antiterrorism operations, in October 2010. It is believed that through these joint military exercises with Russia, the two countries can deepen mutual understanding and build confidence between their military forces and show the presence of China and Russia as one pole in the multipolarizing world, and China can learn operational methods of Russian weapons and military operational doctrines.

5 Relations with North Korea

North Korea and China have a “traditional friendship,” and North Korea seems to rely heavily on China for a great portion of its food assistance and energy supply. Accordingly, China is believed to have a stronger influence on North Korea than other countries. China agreed to U.N. Security Council Resolution (UNSCR) 1695, which condemned the launches of ballistic missiles by North Korea in 2006, UNSCR 1718, which imposed sanctions on North Korea in relation to the nuclear tests, the Security Council presidential statement in April 2009 condemning North Korea’s missile launch, and UNSCR 1874, which settled additional measures against North Korea in response to the nuclear test in May 2009. In addition, China has played an active role chairing the Six-Party Talks that have been held in Beijing since 2003, and the international community expects that China will continue its proactive efforts to resolve the nuclear issue. On the other hand, China was cautious in adopting a tougher stance against North Korea regarding the sinking of Cheonan in March 2010, and the artillery firing at Yeonpyeong Island in November 2010, thus demonstrating a difference of opinion with other countries regarding North Korea. It is pointed out that such an attitude stems from concerns for a possibility that the instability on the Korean Peninsula may have a negative impact on China itself, but at the same time is intended to secure China’s influence on North Korea.

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7 The U.S. Quadrennial Defense Review (QDR; February 2010).
8 Regarding the military field, this treaty mentions military confidence building or strengthening of mutual troop reductions in border areas, military cooperation such as military technical cooperation, and holding discussions in the event that there is awareness of any threat to peace.
9 The organization was established in June 2001 and the original members are China, Russia, and four Central Asian countries (Uzbekistan, Kazakhstan, Kyrgyzstan, and Tajikistan). The missions of the organization include promoting cooperation between member countries in a vast range of sectors, including security, politics, culture, and energy. Since the organization’s establishment, it has developed organizationally and functionally, such as in holding regular summit-level meetings, and establishing the organization’s head office and the Regional Antiterrorist Structure (RATS).
10 “Peace Mission 2010” is the fourth joint military exercise of the “Peace Mission” initiative launched in 2005, which was carried out with the participation of Kazakhstan and other countries in addition to Russia and China.
11 North Korea seems to emphasize negotiations with the United States over the nuclear issue, and it is believed that China, apprehensive that the destabilization of situations in surrounding countries would lead to repercussions within China, hesitates to employ firm measures. In light of this, there is a view that China’s wieldable influence on North Korea is limited.
Part I Security Environment Surrounding Japan

Section 3 China

Chapter 2 Defense Policies of Countries

6 Relations with Other Countries

(1) Relations with Southeast Asian Countries

As for its relations with countries in Southeast Asia, China has been continuously developing bilateral relations with all the countries in the region through active mutual top-level visits and other means. In particular, China has had good relations with Myanmar and has assisted in developing Myanmar’s domestic infrastructure such as pipelines for petroleum or natural gas, ports, and railroads. It is also believed that Myanmar has become one of the major importers of weapons from China. Some pundits point out that it provides China the shortest access to the Indian Ocean, that behind this close relationship lies Myanmar’s location.

China is also actively involved in multilateral frameworks such as ASEAN Plus One (China), ASEAN Plus Three, and the ASEAN Regional Forum (ARF). While China has been deepening economic and cultural cooperation with ASEAN countries through diplomatic forums, more recently, it has been proactively advancing cooperation in the area of national security by enhancing the exchange of its military personnel through mutual visits of their high-ranking military officers and exchanges and cooperation between military departments.

(2) Relations with Central Asian Countries

The Xinjiang Uyghur Autonomous Region, located in the western part of China, is situated next to Central Asia. It shares borders with the three countries of Kazakhstan, Kyrgyzstan, and Tajikistan, and has ethnic minorities settled in the areas straddling borders. Naturally, the region hosts lively exchanges between the people of those countries. Thus China is greatly concerned about the political stability and security situations in Central Asian states, which might be influenced by terrorism caused by Islamic extremists and other factors. Chinese engagement in SCO, which was established in June 2001, is viewed as an indication of China’s concerns in such areas. Moreover, China is also believed to be interested in the energy resources of Central Asia and is promoting cooperation in the energy field with Central Asian countries, such as the construction of oil and natural gas pipelines between China and Central Asian nations.

(3) Relations with South Asian Countries

While China has continued to be at odds with India due to issues such as border conflicts, it has traditionally maintained an extremely close relationship with Pakistan, which has been at odds with India as well, through various projects including the joint development of JF-17 fighter jets. Cooperation in the military sector, such as exporting weapons and transferring military technologies, has also been reported. On the other hand, in recent years China has been committed to improving its relationship with India while also paying consideration to maintaining balance with Pakistan. Actively conducting mutual visits by top leaders with India, China states that relations with India are strategic and that the issue of border demarcation between the two countries, which once culminated in military clashes, is progressing. It is believed that the development of relations with India can be attributed to the two states’ placing of importance on economic growth as well as responses to progressing U.S.–India relations.

Regarding military exchanges, China has conducted joint naval search and rescue exercises with Pakistan and India since 2003. In December 2007, “Hand-in-Hand 2007,” the first anti-terrorism joint exercise since the 1962 China–India border conflict, was conducted between both countries’ armies, and the anti-terrorism joint exercise “Hand-in-Hand 2008” was conducted in December 2008.

(4) Relations with EU Countries

Trade between China and EU countries has grown remarkably in recent years. For China, the EU is now as important a partner as Japan and the United States, especially in the economic field. China, at diplomatic opportunities, strongly requests EU countries to lift their arms embargoes against China which have been imposed since the Tiananmen Square incident in 1989.

Regarding information technology, avionics, and air-independent propulsion systems for submarines and other areas, EU member countries possess more advanced technolo-
gies than those of China or Russia, which exports weapons to China. Therefore, if the EU arms embargo on China were lifted, it is possible that the weapons and military technologies of EU countries would transfer to China, and that they would be utilized as a bargaining chip to gain the edge in weapons transactions with Russia. Japan has expressed to the EU its objection to lifting the arms embargo on China, and it is necessary to pay continuous attention to future discussions within the EU.

(5) Relations with Middle Eastern Countries, African Countries, Pacific Islands, and Central and South American Countries

China reportedly conducted its first joint navy drills with Turkey from September to October in 2010. In October 2010, Prime Minister Wen Jiabao visited Turkey to meet with Prime Minister Erdoğan to upgrade the relationship between the two countries to one based on strategic collaboration. These events seem to suggest the two nations are getting closer.

China has been enhancing its economic relations with African nations by actively assisting in their infrastructure development and investing in their resource development. Interactions among top levels of states and high-ranking military officials are also common. Chinese navy ships frequently visit these countries and China actively export arms to them, through which China is exerting its clout to African nations in many ways.

China’s relations with the Pacific islands are also on the rise. It has been implementing the development of oil, natural gas, and cobalt mines in Papua New Guinea and has signed an agreement on military cooperation with the country. Vigorous and continual economic assistance has also been implemented towards other islands. Furthermore, China tries to engage in military exchanges with Fiji and Tonga.

In addition to these moves, Chinese military officials visit countries including Argentina and Brazil on a regular basis to enhance relations with Central and South American countries. China has reportedly been working on the improvement of its relations with these countries through such events as the first joint military exercise in November 2010 with Peru, called the “Peace Angel 2010.”

16 For example, Chinese Vice President Xi Jinping picked up South Africa, Angola, and Botswana as his first overseas visit destinations in November 2010, since he took on the position of Vice-Chairman of the Central Military Commission.

17 More recently, in April 2011, Chinese navy ships dispatched to the area off the Coast of Somalia and in the Gulf of Aden stopped by Tanzania, Seychelles, and South Africa after the completion of their mission.

18 The exercise was reported as a medical relief drill based on the assumption that a gas leak took place at a chemical factory in Lima, the capital of Peru, when it is hit by an earthquake, causing many poisoned patients.
Military Capabilities of Taiwan

Taiwan, under the guidance of building the “hard rock” defense advocated by President Ma Jeou Ying, identifies prevention of war, homeland defense, response to contingencies, deterrence of conflict, and regional stability as the strategic objectives, and takes the military strategy of “resolute defense and credible deterrence.”

Taiwan, for improved expertise of its military personnel and other purposes, aims to transform its armed forces currently consisting of drafted personnel and volunteers into all-volunteer forces, while reducing the total forces from 275,000 to 215,000 personnel by the end of 2014. At the same time, the Taiwanese armed forces attribute importance to introducing advanced technologies and improving joint operational capabilities. Additionally, in light of the serious damage that occurred from the typhoon in August 2009, the Taiwanese armed forces have resolved to strengthen its disaster prevention and disaster relief capabilities.\(^1\)

In August 2005, then Taiwanese President Chen Shui-bian announced a policy to increase the ratio of the defense budget to its GDP, which was approximately 2.4% in FY2005, up to 3% within three years, in order to meet increasing demands for national defense. Taiwan states that it reached a ratio of 3% in 2008.\(^2\) The Ma administration also sets out the policy that the defense budget will not go below 3% of the GDP, in principle.\(^3\)

With regard to Taiwan’s military power at present, ground forces include 41 Army brigades and three Navy Marine Corps brigades with a total of approximately 215,000 personnel. In addition, it is believed that the total of approximately 1.65 million reserve personnel of air, naval, and ground forces would be available in case of war. Regarding naval capabilities, in addition to Kidd-class destroyers imported from the United States, Taiwan possesses relatively modern frigates and other vessels. Regarding air capabilities, Taiwan possesses F-16 A/B fighters, Mirage 2000 fighters, Jing Guo fighters, etc.

In view of the fact that China is enhancing its missile, naval, and air forces, the Taiwanese military believes it still needs to modernize the equipment. In October 2008, the U.S. Department of Defense notified Congress of the possible sale of Patriot PAC-3 surface-to-air missiles and AH-64D attack helicopters, and other equipment to Taiwan. In January 2010, it also notified Congress of the possible sales of PAC-3 missiles, UH-60 helicopters, Osprey-class mine hunters, and others. Taiwan also wishes to purchase F-16C/D fighter aircraft and other arms from the United States, and the issue is to be observed.

Taiwan is also promoting the independent development of equipment. Tien Kung II surface-to-air missiles and Hsiung Feng II anti-ship missiles are deployed and it is believed that Hsiung Feng III cruise missiles are being developed in order to acquire long-range attack capabilities, while Kung III surface-to-air missiles are being developed to ensure the capability to deal with ballistic missiles.

In addition, Taiwan conducted a field training exercise “Han Kuang 27” in April 2011, during which their air force fighters conducted highway takeoff and landing trainings for the first time since 2007.

The military capabilities of China and Taiwan are generally characterized as follows:
1) Regarding ground forces, China possesses an overwhelming number of troops; however, their capability of landing on and invading the island of Taiwan is limited. Nevertheless, China is making efforts to improve its landing and invasion capabilities in recent years, such as building large landing ships.
2) Regarding naval and air forces, China, as well as overwhelming Taiwan in terms of quantity, has been steadily modernizing its naval and air forces in recent years in the qualitative sphere, where Taiwan had superiority.
3) Regarding missile attack capabilities, China possesses numerous short-range ballistic missiles with a range that covers Taiwan, and Taiwan seems to have few effective

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3 Taiwanese National Defense Report 2009. However, the defense budget for FY2010 is estimated to be less than 3% of the GDP.
countermeasures.

In addition to sizes of forces and performance and quantity of equipment, a comparison of military capabilities should take into account various factors such as objectives and characteristics of envisioned military operations, operational posture, proficiency of military personnel, and logistics. Nevertheless, as China is rapidly modernizing its military power, the overall military balance between China and Taiwan is shifting in favor of China.\(^4\) Attention should be paid to the modernization of both the Chinese and Taiwanese military capabilities and U.S. weapon sales to Taiwan.

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4 Taiwanese National Defense Report 2009. With regard to China's and Taiwan's military strength, the Taiwanese National Defense Report 2009 assessed that, "Military superiority between the two sides has already clearly tilted toward the Chinese side."