China has the world’s largest population with its vast landmass surrounded by 14 countries. It has long borderlands 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. China’s pride in its unique history and semi-colonial experience in and after the 19th century is driving its desire for a strong nation and fueling its nationalism. Furthermore, China, a state with a socialist regime, 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 and attracted considerable foreign investment. The economy has still maintained its high economic growth. A great deal of attention has been paid to its movements at various international conferences, which shows China’s increased presence in the international community. Moreover, China has been playing a certain role in non-traditional security areas. It actively sends personnel to the U.N. Peacekeeping Operations (PKO) and has been sending its ships to the anti-piracy activities off the coast of Somalia and in the Gulf of Aden, which have been highly appreciated by the international community.

China is strongly expected to recognize its responsibility as a major power, accept and stick to the international norms, and play a more active and cooperative role in regional and global issues. On the other hand, there have been disputes with other countries on issues relating to trade imbalances, currency rates, and human rights. In regard to the issues on conflicting interests with its surrounding countries, including Japan, China has attempted to change the status quo by force based on its own assertion which is incompatible with the existing order of international law. The attempts have been criticized as assertive and include risky behaviors that could cause contingencies. Thus, there is a concern over its future direction.

China has various domestic problems. Corruption within central and local communist party leaderships is becoming a great political problem. As a result of its 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. Because these factors, that could destabilize the government administration, are growing larger and diversifying, 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, partly due to the spread of the Internet. Moreover, China also has domestic ethnic minority issues, such as protest activities by ethnic minorities in areas such as the Tibet Autonomous Region and the Xinjiang Uyghur Autonomous Region. It has been reported that some ethnic minorities are undertaking campaigns seeking separation and independence. Against this background, Xi Jinping assumed the post of General Secretary of the CCP and Chairman of the CCP Central Military Commission at the first plenary session of the 18th Central Committee of the CCP in November 2012, and then assumed the post of President at the first session of the 12th National People’s Congress in March 2013, thus seizing control of the three powers of party, military and government. At the session, President Xi Jinping called for “arduous efforts for the continued realization of the great renaissance of the Chinese nation and the Chinese dream.” However, the environment surrounding the Xi government would not be rosy. How the administration will handle various challenges attracts attention.

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1 China exceeded Japan in nominal Gross Domestic Product (GDP) in US dollars in 2010 and became the second largest economy in the world next to the United States. Furthermore, at the 18th National Congress of the CCP in November 2012, then General Secretary Hu Jintao presented a goal to double its GDP by 2020 compared with that of 2010. However, some point out that it is not easy for China to sustain its high economic growth rate given such indices as the GDP growth rate falling to 7.8% (below 8% for the first time in 13 years since 1999.)

2 China has made its own assertion about the Senkaku Islands, which are an inherent territory of Japan. In addition, a newspaper of the CCP carried an article saying “It may be time to revisit the unresolved historical issue of the Ryukyu Islands,” that appears to call into question the fact that Okinawa is part of Japan. It should be noted that the Chinese government has stated that the article was written by researchers who were presenting their personal opinion.

3 In his public address on November 15, 2012, General Secretary Xi Jinping stated “Our party is confronted with many severe challenges. There are many pressing problems within the party that need to be resolved urgently, especially the graft and corruption cases that occurred with some of the party members and cadres, being out of touch from the general public, bureaucracy and undue emphasis on formalities – they must be resolved with great efforts. The whole party must be vigilant against them.”
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 good relations with major powers such as the United States and Russia, to maintain stable situations in neighboring countries, to promote multipolarization of the world, and to secure interests necessary for economic development such as natural resources and energy supply.

On the military front, China has been modernizing its military forces, backed by the high and constant increase in its defense budget. China appears to give particular priority to the Taiwan issue as a core issue of national sovereignty. For the time being, it will probably aim to improve its military capabilities to prevent Taiwan’s independence in its military modernization. In recent years, China has also been actively trying to acquire capabilities for missions other than military modernization. In recent years, China has also been actively trying to acquire capabilities for missions other than military modernization.

China’s National Defense in 2008. In a white paper on China’s peaceful development published in September 2011, while China made clear that it pursues “peaceful development” but “never seeks hegemony,” it also stated that it is firm in upholding its “core interests” which include the following: “state sovereignty,” “national security,” “territorial integrity,” “national reunification,” “China’s political system established by the Constitution and overall social stability,” and “the basic safeguards for ensuring sustainable economic and social development.”

China has a policy of active promotion of “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 local wars under informatized conditions, in response 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, incorporated the concept of “Three Warfares”—“Psychological Warfare,” “Media Warfare,” and “Legal Warfare”—into the tasks of the political work by military, and declared a policy of “close coordination between military struggle and political, diplomatic, economic, cultural, and legal endeavors.”

In China’s military modernization, backed by its stable relations with Russia and other neighboring states that share land borders with China, it is believed that China is giving the top priority...
to handling of the Taiwan issue, more specifically, to improvement of its capabilities to hinder the independence of Taiwan and foreign military support for the independence of Taiwan. Furthermore, in recent years, China is actively trying to acquire capabilities for missions other than the Taiwan issue. It stresses the use of the military in non-traditional security areas. Regarding a long-term plan for China’s military modernization, China proclaims that it will “realize the basic mechanization and achieve major progress in construction of informatization by 2020” and “by focusing on the capability to win local wars 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 its military forces according to the development of its national strength.

China has been increasing its defense spending, broadly and rapidly modernizing its military forces, mainly its nuclear and missile force as well as its Navy and Air Force, and 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 informatized forces, and to improve the foundation of its domestic defense industry. Furthermore, China has been rapidly expanding and intensifying its activities in its surrounding waters and airspace. These moves, together with the lack of transparency in its military affairs and security issues, are a matter of concern for the region and the international community, including Japan. It is necessary for Japan to pay utmost attention to them.

2 Military Transparency

China has not disclosed specific information on possession of weapons, procurement goals and past procurements, organization and locations of major units, records of main military operations and exercises, and a detailed breakdown of the national defense budget. Moreover, China does not clarify a specific future vision of its military modernization and the transparency of its decision making process in military and security affairs is not sufficient either.

China has released defense white papers including China’s National Defense every two years since 1998, and it also conducts ample 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 frame-work. The Chinese Ministry of National Defense has been giving monthly press conference by a spokesperson since April 2011.

In this manner, China has regularly published compiled documents on its national security while reintegrating itself into and commencing participation in U.N. frameworks regarding armaments and military expenditures. These efforts can be appreciated, because they are contributing to improvement of 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 following 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 of procurement costs for major weapons. Moreover, in China’s defense white paper titled, “The Diversified Employment of China’s Armed Forces,” released in April 2013, its contents were limited to selective topics. While it gave a detailed description of a limited number of topics, there was no reference to national defense spending, which had been described in previous defense white papers issued until this one, illustrating decreased transparency in terms of disclosure of information. Thus, China has not made the information available in a transparent fashion, which is a desirable conduct to be practiced by a major country having a sense of responsibility to the international community. The report for the United Nations Instrument for Reporting Military Expenditures submitted by China in 2009 was not filled out in accordance with the standard format used by many other nations, including Japan, which requires a detailed breakdown of military expenditure. The information disclosed in the report submitted by China was almost as simple as that provided in China’s defense white papers.

There are incidents that incite concerns over China’s military decision-making and actions. For example, details have yet to be disclosed regarding causes of the Chinese nuclear-powered submarine’s submerged navigation in Japan’s territorial waters in November 2004, although it constitutes a breach of international law. Furthermore, with respect to the incident of a Chinese naval vessel directing its fire-control radar at a JMSDF destroyer (January 2013), both the Chinese Ministry of National Defense and Ministry of Foreign Affairs gave explanations which were inconsistent with the facts, such as denying the use of the radar itself. In recent years, when the environment surrounding the military has been greatly changing including advancement in military specialization and diversification of missions according to the moderniza-

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5 Based on 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.”

6 It is pointed out that the PLA is advancing reorganization, including establishment of the Strategy Planning Division in the General Staff Department, which is aimed at study and further integration of military strategy in recent years.

7 China’s National Defense in 2008 provides details of personnel expenses, operation maintenance costs, and equipment costs only for the defense budget for FY2007 each by active force, reserve force, and militia.
tion of the military, some see that relations between the CCP leadership and the People’s Liberation Army (PLA) have been getting complex and others see that the degree of military influence on foreign policy decisions has been changing. The situation attracts attention as a risk management issue too.

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 other countries’ concerns over China, it is becoming more and more important for China itself to improve the transparency of its national defense policy and military capabilities. It is hoped that China will increase transparency concerning its military affairs by such efforts as disclosing specific information pertaining to its defense policies and military capabilities.

### National Defense Budget

China announced a national defense budget for FY2013 of approximately 720.2 billion yuan. The initial budget amount announced represented a growth of approximately 10.7% (approximately 69.8 billion yuan) compared to the initial budget amount for the previous fiscal year. This shows that the Chinese national defense budget continues to increase at a rapid pace. The nominal size of China’s announced national defense budget has approximately quadrupled in size over the past ten years, and has grown more than 33-fold over the past 25 years. As regards the relationship between defense and economy, China positions the buildup of defense capabilities as important 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 invest resources in improvement of its defense capabilities to a degree that does not hamper its economic development.

In addition, it must be noted that the amount of the defense budget announced by China is considered to be only a 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.

### Change in China’s Announced Defense Budget

![Change in China’s Announced Defense Budget](image)

**Fig. I-1-3-1** Change in China’s Announced Defense Budget

Notes: The total defense budgets for FY2002 and FY2004 were not disclosed, and only the growth rates and the amount of increase for the two fiscal years were disclosed. Though we tried to calculate the total defense budgets for the two fiscal years based on the growth rates and the amount of increase in combination with the initial defense budgets of the previous years, we found the numbers we got as a result of the calculation to be inconsistent with the numbers China disclosed the following year. Therefore, this graph uses 168.4 billion yen and 210 billion yen for FY2002 and FY2004, respectively. These are calculated on the assumption that the disclosed growth rates and the amount of increase are based on the actual defense expenditures for FY2001 and FY2003.

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8 For example, some point out that there is an increasing number of cases in which the PLA expresses its position on security issues concerning national sovereignty or maritime interests. On the other hand, others point out that the extent of the military’s involvement in the party’s decision-making process is limited because the number of PLA representatives to key decision-making bodies of the CCP is fewer than in the past. Meanwhile, the PLA has repeatedly stressed “absolute instruction of the forces by the party.”

9 Converting national defense budgets of foreign countries into another currency simply by applying currency exchange rates cannot necessarily reflect an accurate value due to difference in price level. But hypothetically speaking, if China’s national defense budget for FY2013 was converted at a rate of 13 yen per yuan (FY2013 disbursing official rate), this would result in approximately 9,362.2 billion yen. The 2012 Yearbook of the Stockholm International Peace Research Institute (SIPRI) estimates that China’s military expenditures for 2011 were approximately $142.9 billion, ranking it second place in the world behind the United States.

10 National defense budget within central fiscal expenditures. The national defense budget amount for FY2013 within nationwide fiscal expenditures is said to be approximately 740.6 billion yuan. This budget amount represents growth of approximately 10.5% (approximately 70.3 billion yuan) compared to the national defense budget (initial budget) within the nationwide fiscal expenditures for the previous fiscal year.

11 China announced that the rate of growth for its FY2013 national defense budget is “an increase of approximately 10.7% (approximately 69.6 billion yuan) compared to the previous year,” but this is the growth rate calculated by comparing the spending of FY2012 with the initial budget of FY2013.

12 China’s announced national defense budget within central fiscal expenditures achieved double-digit-percent growth on the initial-budget basis every year since FY1989 except in FY2010.

13 U.S. Defense Department’s Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China (May 2013) estimates China’s military-related defense spending as having been between $135 billion to $215 billion in FY2012. The same report indicates that China’s official defense budget does not include major categories of expenditure such as foreign procurement.
4 Military Posture

China’s military forces are composed of the 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 Corps (strategic missile force).

(1) Nuclear and Missile Forces

China has made 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 a nuclear force structure able to conduct retaliatory nuclear attacks on 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). Update of China’s ballistic missile forces from the nuclear propellant system to a solid propellant system is improving their survivability and readiness. Moreover, it is also believed that China is working to increase performance by extending ranges, improving accuracy, introducing MIRV, and other means.

China has deployed the DF-31, which is a mobile type ICBM with a solid propellant system mounted onto a Transporter Erector Launcher (TEL), and the DF-31A, a model of the DF-31 with extended range. It is pointed out that China has already deployed the DF-31A and will increase the number. Regarding SLBM, China currently appears to be developing the JL-2, a new SLBM whose range is believed to be approximately 8,000 km, and constructing Jin-class nuclear-powered ballistic missile submarines (SSBN) to carry the missiles. Once the JL-2 reaches a level of practical use, it is believed that China’s strategic nuclear capabilities will improve by a great margin.

As for the IRBM/MRBM covering the Asia-Pacific region including Japan, China has deployed the solid-propellant DF-21, which can be transported and operated on a TEL, in addition to the liquid-propellant DF-3 missiles. These missiles are capable of carrying nuclear warheads. It is believed that China possesses conventional ballistic missiles with high targeting accuracy based on the DF-21, and it has been pointed out that China has deployed conventional anti-ship ballistic missiles (ASBM), which could be used to attack ships at sea including aircraft carriers. In addition to IRBM/MRBM, China also possesses the DH-10 (CJ-10), a cruise missile with a range of 1,500 km or longer, as well as the H-6 (Tū-16), medium-range bombers that are capable of carrying nuclear warheads and cruise missiles. These missiles might complement ballistic missile forces, covering the Asia-Pacific region including Japan.

Concerning SRBM, China possesses a large number of sol-
id-propellant DF-15 and DF-11, and they are believed to be deployed against Taiwan\(^\text{23}\), covering also a part of the Southwestern Islands including the Senkaku Islands, which are inherent territories of Japan.

China announced that it had conducted tests on midcourse missile interception technology in January 2010 and 2013. Attention will be paid to China’s future trends in ballistic missile defense.

(See Fig. I-1-3-2)

\((2)\) Ground Forces

The size of the Chinese ground forces is the largest in the world with approximately 1.6 million personnel. Since 1985, China has continuously sought to modernize its armed forces by curtailing the number of personnel and streamlining organizations and systems in order to improve efficiency. China aims to develop highly capable military forces, while reducing units inferior in equipment and technologies. Specifically, it is improving mobility by such measures as switching from the past regional-defense model to a nationwide-mobile model, working to motorize and mechanize its infantry. In addition, China is believed to be strengthening its airborne troops (belonging to the Air

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\(^{23}\) U.S. Defense Department’s Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China (May 2013) states that by December 2012 China had deployed more than 1,100 SRBM on the shores opposing Taiwan. Besides this, in March 2011, Taiwan’s National Security Bureau Director Tsi Der-sheng said that China has developed and deployed new “DF-16” missiles and that these are highly destructive long-range missiles, which will mainly be used against Taiwan and in order to prevent U.S. intervention.
Fig. 1-1-3-3  Deployment and Strength of the People’s Liberation Army

<table>
<thead>
<tr>
<th></th>
<th>China</th>
<th>Taiwan (Reference)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ground forces</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group troops</td>
<td>Approx. 1.6 million troops</td>
<td>Approx. 200,000 troops</td>
</tr>
<tr>
<td>Tanks</td>
<td>Type-98A/99, Type-96/A, Type-88A/B and others Approx. 8,200 vehicles</td>
<td>M-60, M-48A/H and others Approx. 1,420 vehicles</td>
</tr>
<tr>
<td><strong>Maritime forces</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warships</td>
<td>Approx. 970 vessels/ 1.469 million tons</td>
<td>Approx. 360 vessels/ 217,000 tons</td>
</tr>
<tr>
<td>Destroyers &amp; frigates</td>
<td>Approx. 80 vessels</td>
<td>Approx. 30 vessels</td>
</tr>
<tr>
<td>Submarines</td>
<td>Approx. 60 vessels</td>
<td>4 vessels</td>
</tr>
<tr>
<td>Marines</td>
<td>Approx. 10,000 troops</td>
<td>Approx. 15,000 troops</td>
</tr>
<tr>
<td><strong>Air forces</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Combat aircraft</td>
<td>Approx. 2,580 aircraft</td>
<td>Approx. 510 aircraft</td>
</tr>
<tr>
<td>Reference</td>
<td>Population</td>
<td>Term of service</td>
</tr>
<tr>
<td></td>
<td>Approx. 1.347 billion</td>
<td>2 years</td>
</tr>
<tr>
<td></td>
<td>Approx. 23 million</td>
<td>1 year</td>
</tr>
</tbody>
</table>

Source: The Military Balance 2013 and others.
Force) and special operations forces and helicopter units. It is continuing its efforts to make its military units multi-functional, to build a command system for improvement of its integrated strategic abilities and efficient operations, and also to work on reforms to improve its logistical support capabilities. In 2009, China carried out “Stride 2009” exercises which traversed across military regions and were deemed its largest ever exercises of this type, and it also carried out similar “Mission Action 2010” exercises in 2010. These exercises are believed to have been designed to verify and improve capabilities necessary for deployment of army units to distant areas, such as the army’s long-range maneuvering capabilities and logistical support capabilities, including mobilization of militia and public transportation. (See Fig. I-1-3-3)

(3) Naval Forces

The naval forces consist of three fleets—the North Sea, East Sea, and South Sea Fleets. The Chinese Navy has approximately 970 ships (including approximately 60 submarines), with a total displacement of approximately 1.47 million tons. The Navy is in charge of maritime national defense and protection of the sovereignty of territorial waters and maritime rights and interests. The Chinese Navy introduced Kilo-class submarines from Russia and is actively constructing new types of domestic submarines in order to enhance its submarine force. Additionally, the Navy is increasing surface combatant ships with improved air defense and anti-ship attack capabilities, large landing ships, and supply ships. Also, it commissioned a large hospital ship in October 2008.26

With regard to aircraft carriers, China has renovated the Varyag, an incomplete Kuznetsov-class aircraft carrier purchased from Ukraine. After 10 trial navigations during the period from August 2011 to August 2012, China named the carrier “Liaoning” and put it into commission.27 China seems to be continuing training of carrier-based aircraft pilots and research and development of necessary technologies including the development of a domestic carrier based fighter, J-15.28 It is also pointed out that China may be constructing its first domestic aircraft carrier.29

In view of these developments in the modernization of the naval forces, it is believed that China is trying to build capabilities for operations in more distant areas in addition to the near sea defense. It is necessary to continue to monitor the development of the Chinese naval forces.

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24 In recent years, in particular, China is believed to be substantially increasing the number of state-of-the-art Yuan class submarines, which are domestically produced. These submarines are believed to be superior in quietness and to be equipped with an air independent propulsion (AIP) system, which allows them to remain submerged longer by loading oxygen beforehand eliminating the need to supply oxygen from the atmosphere by surfacing, etc.

25 Recently, China appears to be increasing the number of Yuzhao-class large landing ships, the load displacement of which is said to exceed 20,000 tons.

26 This hospital ship, “Daishandao” (commonly known as the “Peace Ark”), is reported to have visited five countries along the coast of the Indian Ocean in medical services duty “Mission Harmony-2010” from August to November in 2010, followed by another medical services duty “Mission Harmony-2011” from September to December in 2011. In this mission, the ship was believed to have visited four countries in Central and South America for providing medical services.

27 The Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China (May 2013) of the U.S. Department of Defense shows its view that the aircraft carrier “Liaoning” will serve as a training platform for fixed-wing aircraft. It also points out that “it will take three to four years before reaching an operational effectiveness.”

28 In November 2012, it was reported that the first landing and takeoff test by carrier-based plane J-15 that seems to be under development had been implemented on the aircraft carrier “Liaoning.” In May 2013, it was reported that the first carrier air wing was officially established in China.

29 The U.S. Defense Department’s Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China (May 2012) points out that “Some components of China’s first indigenously-produced carrier may already be under construction; that the carrier could achieve operational capability after 2015. China likely will build multiple aircraft carriers and associated support ships over the next decade.”


(4) Air Forces

The Chinese Air Force and Navy have approximately 2,580 combat aircraft in total. The number of fourth generation modern fighters is rising steadily. China imported from Russia and produced under license the Su-27 fighters, and imported from Russia the Su-30 fighters equipped with anti-surface and anti-ship attack capabilities. China is also mass-producing the J-11B which is pointed out to be an imitation of Su-27 fighters as well as domestic J-10 fighters. Some point out that in addition to developing the J-20, which is pointed out to become a next-generation fighter, China is developing another next-generation fighter. It is also making continuous efforts to improve capabilities which are essential for operations of modern air forces by introducing the H-6 tanker and KJ-2000 Airborne Early Warning and Control system. Furthermore, it is reported that China has a plan to import large cargo aircraft from Russia and is developing a new Y-20 large cargo aircraft in order to improve its transportation capability. In addition to domestically developing, producing and deploying a variety of aircraft and introducing them from Russia, China seems to be domestically developing, producing and deploying unmanned aircraft.

Judging from the modernization of air forces, it is believed that China is not only improving its air defense capabilities for its national territory, but also aiming to build up capabilities for air superiority and anti-surface and anti-ship attacks in areas which are as distant from China as possible, and improving long-range transportation capabilities. Further attention needs to be paid to these activities conducted by Chinese air forces.

(5) Military Use of Space and Cyber Warfare Capabilities

China continues to put forth efforts for space developments. It has launched various satellites into space by its indigenously produced rockets, conducted manned space flights, and launched a lunar orbiter. There is also one view that China's...

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30 In the U.S. Senate Armed Services Committee in February 2011, then Secretary of Defense Robert Gates stated his view that China had the potential to deploy 50 next generation fighters equipped with stealth capability by 2020 and 200 fighters by 2025. It was reported that China had succeeded in conducting the first flight test of its “J-20” in January 2011 and that the country is continuing the tests.

31 In October 2012, it was reported that a new fighter that was pointed out to be under development as another next-generation fighter by China had made its first flight.

32 In January 26, 2013, the Ministry of National Defense of China announced that it had succeeded in the first trial flight of the Y-20 large cargo aircraft developed by China and that it would continue various tests and trial flights based on its plan.

33 For example, unmanned aerial vehicles were identified in the military parade on the 60th National Day of China in October 2009.

34 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 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, it is reported that China's battle group comprising two H-6 bombers and two J-10 fighters, supported by an 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.

35 In recent years, China launched the space laboratory "Tiangong 1" in September 2011, and succeeded in its docking with the unmanned spacecraft "Shenzhou-8" in November 2010 and the manned spacecraft "Shenzhou-9" in June 2012. These show that China is promoting its plan with construction of space stations in mind. In December 2012, it was reported that the Beidou Navigation Satellite System officially started service covering the most part of the Asia-Pacific region, and naval vessels, "Haijian" ships, "Yu zheng" ships and Chinese fishing boats already started to be equipped with the Beidou system. It is pointed out that Beidou has not only a positioning function but also a bidirectional short-messaging function and such functions enable unified real-time grasping and sharing of location data of foreign vessels recognized by a Chinese vessel, thus enhancing Chinese information gathering capability in the ocean. The State Administration for Science, Technology and Industry for National Defense intends to implement a moon landing of the moon exploration satellite "Chang'e-3" during the latter half of 2013.
space development programs have been aiming at boosting national prestige and developing space resources. Given that military and non-military sectors in China’s space development sectors seem related, there is the possibility that China utilizes space for such military purposes as information gathering, communications, and navigation. Recently, several high ranking officials in China’s Air Force expressed its policy to actively work on the utilization of space.

China is also developing anti-satellite weapons, and it conducted a test in which it destructed its own satellite by applying ballistic missile technology in January 2007. It is also pointed out that China is developing a system that uses laser beams to hamper satellite functions. China is thought to have a strong interest in cyber space as well.

China’s interest in anti-satellite weapons and cyber space can be attributed to the fact that information gathering and command and communication in the military sector, which are vital for swift and efficient exercise of military strength, are increasing their reliance on satellites and computer networks.

### 5 Activities concerning the Ocean

#### (1) Situation of Activities in Waters Near Japan, etc.

In recent years, China is believed to be aiming to build up capabilities to conduct operations in more distant sea areas and airspace. Accordingly, China has been rapidly expanding its maritime activities both qualitatively and quantitatively. With regard to its activity in the sea/air area surrounding Japan, Chinese naval vessels and naval/air-force airplanes have been observed conducting what appeared to be training exercises or information gathering activities. A large number of Chinese government ships and aircraft belonging to maritime law-enforcement agencies have also been observed, which were engaged in monitoring activities for the protection of its maritime rights and interests. Some of these activities of China involve its intrusion into Japan’s territorial waters, its violation of Japan’s airspace and even dangerous actions that could cause a contingency situation, which are extremely regrettable. China should accept and stick to the international norms.

Regarding the move of naval forces, the number of Chinese naval surface vessels advancing to the Pacific Ocean has increased in recent years and such advancements are being routinely conducted today. Their route between the East China Sea and the Pacific Ocean is becoming diverse; in addition to the sea between the main island of Okinawa and Miyako Island, which they have passed every year since 2008, they passed the Osumi Strait eastward in April 2012 for the first time and also navigated the sea area between Yonakuni Island and Nakanokami Island near Iriomote Island northward for the first time in October of the same year. It seems that they are trying to improve their deployment capabilities in the open ocean. In January 2013, a Chinese naval vessel directed fire-control radar at a JMSDF destroyer and is suspected to have directed fire-control radar at a helicopter based on the JMSDF destroyer.

Regarding the move of air forces, in recent years, activities by Chinese naval/air-force planes, which appear to be some form of information gathering against Japan, have been observed frequently. The number of scrambles by the Japan Air Self Defense Force against Chinese aircraft is also rapidly increasing. Furthermore, in September 2007, multiple H-6 medium-range bombers flew into the Japanese air defense identification zone over the East China Sea and advanced near the Japan–China median line. Similarly, in March 2010, a Y-8 early warning aircraft advanced near the Japan–China median line. In March 2011, a Y-8 patrol aircraft and Y-8 intelligence gathering aircraft crossed the Japan-China median line and approached within approximately 50 km of Japan’s airspace near the Senkaku Islands. These incidents indicate that Chinese air-
craft are diversifying their flight patterns. In 2012, Chinese military aircraft, including its fighters, intensified its activities. In January 2013, the Chinese Ministry of National Defense made public the fact that Chinese military aircraft regularly conducted warming and surveillance activities and that Chinese fighters conducted activities believed to be Combat Air Patrols (CAP) in the East China Sea. “The Diversified Employment of China’s Armed Forces” mentioned “air vigilance and patrols at sea” for the first time as a Chinese defense white paper. In 2013, Chinese military aircraft, including its fighters, has intensified its activities further. In March and April 2011 and in April 2012, there have been instances of Chinese helicopters that appeared to belong to the State Oceanic Administration (SOA) of the Ministry of Land and Resources flying close to Japanese destroyers which were engaged in vigilance monitoring in the East China Sea.

Within Japan’s territorial waters near the Senkaku Islands, in December 2008, Haijian ships which belong to the SOA of China conducted navigation operations which foreign ships are not permitted to conduct under international laws such as hovering and cruising. Then, in September 2010, a Chinese fishing trawler collided with patrol vessels of the Japan Coast Guard off the coast of the Senkaku Islands. After the incidence, “Haijian” ships and “Yuzheng” ships belonging to then the Bureau of Maritime Fisheries at the Ministry of Agriculture of China entered the territorial waters around the Senkaku Islands. In October 2012, vessels of the East Sea Fleet of the Chinese Navy conducted a joint exercise with “Haijian” and “Yuzheng” ships with focus on preservation/protection of territorial sovereignty and maritime interests. Furthermore, the navy is believed to be handing over retired navy vessels to the SOA and other agencies. It is believed that the Navy is supporting maritime law-enforcement agencies both in operation and equipment.

(See Fig. I-1-3-4)

In February 2012, a survey vessel of the Japan Coast Guard conducting a marine survey in Japan’s exclusive economic zone was demanded to stop the activity by two “Haijian” ships that belong to the SOA. Similar incidents occurred in May and September 2010.

(2) Situation of Activities in Other Areas than Waters Near Japan

In other areas than waters near Japan as well, China is intensifying its activities in the South China Sea, including the Spratly Islands and Parcel Islands, over which it is engaged in territorial disputes with neighbors, including some ASEAN (Association of Southeast Asian Nations) countries. In March 2009, Chinese ships, including a naval vessel, a maritime research ship of the SOA, 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. It is also reported that Chinese naval vessels fired warning shots at fishing boats of neighboring countries. Furthermore, in recent years, there has been growing friction between China and its neighbors.
Advancements to the Pacific Ocean by Chinese naval vessels have been confirmed every year since 2008. Their main characteristics are as follows (the following numbers correspond to those in the figure above):

1. A state-of-the-art Luyang-class destroyer was confirmed for the first time.
2. A ship-based helicopter flight was confirmed in waters approximately 280km northeast of Okinotori Island.
3. It is reported that, after the naval unit advanced into the Pacific Ocean, it passed through the Bashi Channel into the South China Sea, sailed around the Spratly islands, and conducted a military exercise in waters near the Paracel Islands.
4. A part of the naval unit conducted an exercise in waters in the middle of the East China Sea before advancing into the Pacific Ocean. At that time, a ship-based helicopter flew close to Japan’s destroyer Suzunami, which was conducting surveillance activities. At its closest, the helicopter was about 50m away horizontally and about 30m above the ship. Because this was very dangerous from the perspective of the safe navigation of the ship, Japan approached the Chinese Government through a diplomatic channel with a request to ascertain the facts of the matter. Subsequently, a ship-based helicopter approached and flew around Japan’s destroyer Asayuki, which was conducting surveillance with regard to these vessels in the Pacific Ocean. At its closest, the helicopter was about 90m away horizontally and about 30m above the ship. Because this kind of incident occurred again, which was dangerous from the perspective of the safe navigation of the ship, Japan filed a protest against the Chinese Government through a diplomatic channel.
5. A reconnaissance ship was confirmed to be accompanying a naval unit for the first time. As well as conducting a targeting exercise in waters approximately 450km southwest of Okinotori Island, the naval unit conducted drills involving unmanned aerial vehicle (UAV) and ship-based helicopter flights. Drills involving UAV takeoff from and landing on a frigate, helicopter takeoff from and landing on a vessel, and night training at sea were confirmed for the first time.
6. Five naval vessels in the naval unit conducted drills involving ship-based helicopter flights and mid-ocean refueling in waters approximately 900km southwest of Okinotori Island.
7. The naval unit conducted drills involving ship-based helicopter flights and mid-ocean refueling in waters approximately 900km southwest of Okinotori Island.
8. Chinese naval vessels had been confirmed to have passed through the Osumi Strait for the first time since a Ming-class submarine sailed west through the strait in November 2008. These vessels conducted UAV flight drills in waters approximately 700km east of Okinotori Island.
9. A Luyang-class destroyer and a Yuchao-class landing ship were confirmed for the first time. The naval unit conducted drills involving ship-based helicopter flights and formation movements in waters southwest of the main island of Okinawa.
10. The naval unit conducted drills involving ship-based helicopter flights in waters approximately 900km north of Okinotori Island and mid-ocean refueling in waters approximately 600km southeast of Okinotorishima.
11. A fleet was confirmed navigating northward the sea area between the Yonakuni Island and the Nakanougan Island. The fleet passed the geographic median line at approximately 80km southeast of Uotsuri Island.
12. The fleet conducted ship-based helicopter flight training and mid-ocean refueling in waters approximately 550km southwest of Okinotori Island.
13. Japan filed a protest against the Chinese Government through a diplomatic channel, in which Japan stated that directing such a radar is a dangerous act that could create a contingency situation, expressed regret, and pressed Beijing to prevent the recurrence of such an act.

Recent Chinese Activities in Waters near Japan

The following Chinese Navy vessels sailed to the Pacific Ocean:

- November 2008: Four vessels including a Luyang-class destroyer
- March 2010: Six vessels including a Luyang-class destroyer
- July 2010: Two vessels including a Luyang-class destroyer
- February 2012: Four vessels including a Jiangkai-II class frigate
- February 2012: Four vessels including a Luyang-class destroyer
- October 2012: Seven vessels including a Luyang-class destroyer
- November 2012: Four vessels including a Luyang-class destroyer
- January 2013: Three vessels including Jiangkai-II class frigates
- May 2013: Three vessels including a Jiangkai-II class frigate
- May 2012: Five vessels including a Luyang-class destroyer
- March 2013: Four vessels including a Luyang-class destroyer
- December 2012: Four vessels including a Sovremenny-class destroyer
- May 2011: A vessel of China’s State Oceanic Administration cut an investigation cable towed by a Vietnamese resource exploration vessel
- January 2013: Three vessels including Jiangkai-II class frigates
- February 2009: Five vessels including a Sovremenny-class destroyer
- June 2009: Five vessels including a Luyang-class destroyer
- October 2008: Four vessels including a Sovremenny-class destroyer sailed through the Osumi Strait
- November 2008: Four vessels including a Luyang-class destroyer
- April 2010: 10 vessels including Kilo-class submarines and Sovremenny-class destroyers
- June 2009: Five vessels including a Luyang-class destroyer
- September 2012: The ships mentioned above have frequently intruded into Japan’s territorial waters.

Since December 2008: Chinese law enforcement agencies’ ships have intruded into Japan’s territorial waters. Since September 2012: The ships mentioned above have frequently intruded into Japan’s territorial waters. December 2012: A fixed-wing aircraft of the State Oceanic Administration violated Japan’s territorial air space for the first time.
Part I Security Environment Surrounding Japan

boring countries over the South China Sea, as illustrated by protests by Vietnam and the Philippines against China’s activities in these waters.

See Section 5

(3) Objectives of Activities in Waters Near Japan

Taking into general consideration such factors as China’s geographical location and economic globalization as well as the fact that China explicitly states in its laws and other documents that its Navy assumes the role of safeguarding maritime rights and interests and protecting maritime safety, the Chinese Navy and other organizations are considered to have the following objectives in their maritime activities.

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

The second one 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. In order for China to try to prevent by force foreign intervention into Taiwan, which is surrounded by the sea, it needs to enhance its military operational capabilities at sea.

The third one is to weaken the effective control of other countries over the islands which China claims its territorial rights over, while strengthening the claim of its territorial right to, through various surveillance activities and use of force in the seas surrounding the islands.

The fourth one is to acquire, maintain, and protect its maritime rights and interests. China is engaged in oil and gas drilling as well as building facilities and surveying for the drilling in the East China Sea and South China Sea.

The fifth one is to defend its sea lanes of communications. In this background is the fact that its sea lanes of communications, including its crude oil transportation routes from the Middle East, are extremely important for the globalizing the Chinese economy. What part of its sea lanes of communication the Chinese Navy thinks it should defend depends on such factors as international situations, but given the recent modernization of the Chinese Navy and Air Force, the areas which they can defend is believed to grow larger beyond the waters near China.

Given these objectives and recent trends in China’s maritime activities, it is believed that China plans to further expand the sphere of its maritime activities, and expand its operations 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, more attention needs to be paid to such activities as operations of naval vessels and various surveillance operations near Japan, developments of facilities that serve as bases for these activities, and developments of its 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 security missions such as peacekeeping, humanitarian assistance and disaster relief, and anti-piracy. In order to carry out these missions, it is becoming active in dispatching its units overseas as well. It is believed that in the background of the PLA’s stance on international military activities is 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, and its intent to strengthen its sta- ture by demonstrating its will as a great power to fulfill its responsibilities to the international community.

China states that it consistently supports and actively participates in the U.N. PKO. According to “The Diversified Employ-

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44 For instance, China’s National Defense in 2010 defines safeguarding of national maritime rights and interests as one of the major goals and tasks of China’s national defense policy, and notes that China practices an administration system of sharing responsibilities between the military and the maritime law-enforcement agencies, including the State Oceanic Administration, in border and coastal defense.

45 The “Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China” (May 2013) of the U.S. Department of Defense points out China continues investment in various weapons which appear designed to enable anti-access/area-denial (A2/AD) missions. For definition of A2/AD, see footnote 8 of Section 1, Chapter 1.

46 In September 2010, China unilaterally announced postponement of the negotiation to conclude an international agreement with Japan on resource development in the East China Sea. While the negotiation has not been resumed yet, the possibility is pointed out that China has started developing the Shirakaba oil-gas field (Chunxiao in Chinese), and that it also has started production in the Kashi gas field (Tianwanxin in Chinese). Meanwhile, China’s State Oceanic Administration announced that the Haiyangshiyou 981, an oil-drilling rig, succeeded in its first drilling in the South China Sea in May 2012.

47 It is reported that China is constructing a large-scale naval base that has underground tunnels for nuclear-powered submarines in the city of Sanya located in the southern tip of Hainan island. Experts point out that the base is in a strategically important location that secures access to the South China Sea, as well as the western Pacific, and that China is advancing construction work in order for the base to play a role as a major hub of the South Sea Fleet, where aircraft carriers will be deployed.

48 It is pointed out that, in recent years, China aims to limit military activities of other countries in coastal areas of China’s exclusive economic zones by employing its own interpretations of the United Nations Convention on the Law of the Sea (UNCLOS). For instance, the Chinese Government announced in a statement by the Ministry of Foreign Affairs on November 26, 2010, that it is opposed to unsanctioned military activities by any country in coastal areas of China’s exclusive economic zones.
ment of China’s Armed Forces,” it has sent a total of 22,000 military personnel to the U.N. PKO. According to the United Nations, as of the end of April 2013, China had deployed a total of 1,872 personnel, police officers, and military observers to 9 U.N. PKO, including the United Nations Mission in the Republic of South Sudan (UNMISS). Thus, China shows a certain presence in the U.N. PKO. In the background of China’s aim in its proactive attitude to the U.N. PKO is its intent to strengthen its relations with the regions where the peacekeeping operations are conducted, particularly with African nations.

Furthermore, China has also been taking part in international initiatives to deal with piracy off the coast of Somalia 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 in order to have them escort Chinese and other ships. This demonstrates that the Chinese Navy is improving its capacity to execute naval operations in more distant waters. This is also thought to be a proof that China is placing a greater emphasis on protecting its sea lanes of transportation.

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. In this operation, China dispatched a naval frigate and transportation aircraft of the Air Force to Libya in addition to 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 to demonstrate, both domestically and internationally, its intent to 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 including such large-scale exercises as cooperative exercises of the Army, Navy, and Air Force and landing exercises in order to modernize its operational capabilities. The goal of “being able to fight and winning battles” was repeatedly mentioned in statements addressed to the military by General Secretary Xi Jinping as well as in the military training instructions given by the general staff. It is believed that this is evidence that the military is promoting implementation of more practical exercises. The whole PLA military training conference in 2006 emphasized promotion of 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 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, it launched a human resource strategy project to develop human resources capable of directing joint operations/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. 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 it provides scholarships for civilian college students and then allows them to enter the military as commissioned officers after graduation. On the other hand, in recent years, it is pointed out that there is an issue concerning treatment of veterans.

China has been developing a mobilization system with a view to effective use of civilian resources in the case of war and other emergencies. 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.

8 National Defense Industry Sector

While China imports highly sophisticated military equipment and parts that it cannot produce domestically from other countries such as Russia, China is believed to place emphasis on indigenous production of them. The country manufactures much of its military 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 improvement of private industry infrastructures 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 basis of the modern-
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 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 development of civilian space exploration, the aviation industry, and the shipbuilding industry.

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

3 Relations with Other Countries

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 its neighboring countries including Southeast Asian countries, but also with countries in Africa and Latin America. China is believed to regard military exchanges as a strategic means to safeguard its national interests, and as such to position military exchanges as an element in China’s overall diplomatic strategy. The objectives of China’s promotion of military exchanges include alleviating concerns regarding China by strengthening its relations with other countries, creating a favorable security environment, enhancing China’s influence in the international community, securing natural resources and energy, and building 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 its efforts for peaceful unification, and expresses that it will take up policies and measures to solve issues of Taiwanese people’s interest and to protect their due authority, while it has 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, clearly lays out the non-renunciation of the use of military force by China. Ma Ying-jeou, who was re-elected in the presidential election in January 2012, continues to advocate a policy of pursuing Taiwanese economic development through expanding economic exchanges with China and the status quo rather than independence in his second term. As exemplified by the coming into force of the Economic Cooperation Framework Agreement (ECFA), relations between the two sides are moving forward mainly around the realm of economy. On the security front, while China made appeals for China and Taiwan to make contact and hold exchanges over military issues at an appropriate time in order to explore the creation of mechanisms for building mutual trust over military security, Taiwan has shown a cautious stance stating that the conditions are not yet met. Regarding the Senkaku Islands, China and Taiwan have made their own assertion but Taiwan has expressed a negative attitude toward cooperation with China. Attention will be paid to trends in the future relations between China and Taiwan including trends of political dialogues including military affairs.

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1- The U.S. Defense Department’s Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China released in August 2011 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.”

1- The law 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 a 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.


1- Taiwan authority’s vessels intruded into Japan’s territorial waters around the Senkaku Islands three times in 2012.
3 Relations with the United States

There are various outstanding issues 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 its stable relation with the United States.

The United States expresses that it welcomes a China that takes on a responsible leadership role with the international community in such issues as recovery of the world economy, climate change, and proliferation of WMDs. The United States proclaims that it will monitor the Chinese military’s modernization, recognizes that the two nations do not agree on every single issue, and makes it clear that the United States 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.

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

Regarding the Senkaku Islands, the United States reiterated that the Japan–U.S. Security Treaty applies to the islands. China reacted to the U.S. stance by stating that any language or behavior to put the islands in the scope of the treaty was not acceptable (statement of a spokesperson of China’s Ministry of Foreign Affairs in 2010).

Military exchanges have also developed between China and the United States. They 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. A military hotline between the defense departments of the two countries was set up in April 2008. In September 2012, then Secretary of Defense Panetta announced that the United States would invite China to the 2014 Rim of the Pacific Exercise (RIMPAC.) 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 the relations. The issues include U.S. arms sales to Taiwan, 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 military exchanges of the two countries. For example, China notified suspensions of the major military exchanges with the United States when the U.S. Department of Defense notified Congress of possible arms sales to Taiwan in October 2008 and January 2010. On the other hand, the United States maintains that 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 this 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.

4 Relations with Russia

Since the China–Soviet confrontation ended in 1989, both countries have placed 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 came to a settlement.

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5 The U.S. National Security Strategy (May 2010). In addition, the Defense Strategic Guidance of January 2012 states “China’s emergence as a regional power will have the potential to affect the U.S. economy and our security in a variety of ways” and “the two countries have a strong stake in peace and stability in East Asia and an interest in building a cooperative bilateral relationship.”

6 Remarks by then Vice Chairman of the Central Military Commission (CMC) Xu Caihou in a conference with then Secretary of Defense Robert Gates (October 2009). Then Deputy Chief of the PLA 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.

7 For example, when U.S. Department of Defense notified Congress of possible arms sales to Taiwan in September 2011, China strongly criticized the stance of the United States and postponed the joint exercise off the coast of Somalia and in the Gulf of Aden and others. However, China has still made efforts to stabilize the China-U.S. relationship. The importance of the relationship between the two countries including their military exchanges has been confirmed on such occasions as when Chinese Vice President Xi Jinping’s visit to the U.S. and his meeting with President Obama in February 2012 and then Chinese Defense Minister General Liang Guanglie’s visit to the U.S. and his meeting with then Secretary of Defense Panetta in May of the same year.

8 The U.S. Quadrennial Defense Review (QDR; February 2010). In addition, the Defense Strategic Guidance of January 2012 points out that “the growth of China’s military power must be accompanied by greater clarity of its strategic intentions in order to avoid causing friction in the region.”

9 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.
The two countries share an idea that they will promote multipolarization of the world and establishment of a new international order. In addition, economic motives including natural resource/energy supply 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 fighter aircraft, destroyers, and 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 sophisticated weapons to China that would cause a threat to Russia and that Russia has a concern about competition with China in arms exports.

China–Russia military exchanges include regular visits by high-ranking army officials and joint military exercises. It is believed that through these exchanges the two countries can deepen mutual understanding and build confidence between their military forces and show their presence as a 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 food assistance and energy supply. Accordingly, China is believed to have a stronger influence on North Korea than other countries and the international community expects that China will play an active role in resolving the nuclear issue. On the other hand, China was cautious in adopting a tougher stance against North Korea regarding the sinking of the Cheonan in March 2010 and the artillery firing at Yeonpyeong Island in November 2010. In addition, when the Chairman of the National Defense Commission Kim Jong-II died in December 2011, China promptly declared its support for the new regime led by Kim Jong-un. Such an attitude of China stems from its increasing concerns for possible destabilization on the Korean Peninsula. Even after Xi Jinping was elected to the post of General Secretary of the Chinese Communist Party in November 2012, North Korea launched a missile which it called a “Satellite” in December of the same year and implemented a nuclear test in February 2013. What approach the Xi Jinping administration will take to North Korea will be the focus of attention.

6 Relations with the 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 infrastructure such as pipelines for petroleum or natural gas, ports, and railroads. It also has supplied key military equipment. Some pundits point out that this close relationship is associated with Myanmar’s location which provides China the shortest access to the Indian Ocean.

10 China and Russia conducted their first large-scale joint exercise in the Shandong Peninsula and other areas in China in August 2005. In August 2007, July 2009, September 2010, and June 2012, member states of the SCO conducted joint anti-terrorism exercises. In addition, Russia and China held “Naval Interaction 2012,” a large-scale joint Navy exercise, in the Yellow Sea in April 2012. The SCO aims at cooperation in such areas where the member states share interests as maintenance of peace and stability in the region, joint actions against terrorism, politics, trade, and economy. In addition to the anti-terrorism exercise “Peace Mission,” the SCO is making efforts for stabilization of Central Asia including Afghanistan through such decisions as approving Afghanistan to be a SCO observer country at the SCO summit meeting held in June 2012.

11 In addition to chairing the Six-Party Talks that have been held in Beijing since 2003, China agreed to U.N. Security Council Resolution (UNSCR) 1718, which imposed sanctions on North Korea when North Korea implemented the nuclear tests in 2006, UNSCR 1874, which settled additional measures against North Korea in response to the country’s second nuclear test implementation in May 2009, UNSCR 2094, which decided to further tighten sanctions on North Korea in response to its third nuclear test in February 2013 and other resolutions, while demonstrating its consideration to North Korea. On the other hand, North Korea seems to emphasize negotiations with the United States over the nuclear issue, and it is believed that China, which is apprehensive that destabilization of situations in its surrounding countries would lead to repercussions within China, hesitates to employ firm measures. Therefore, there is a view that China’s influence on North Korea is limited.

12 Some see that Myanmar is attempting to end excessive dependency on China in terms of diplomacy.
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 its 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 exchanges of military personnel such as 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. Therefore, China is greatly concerned about the political stability and security situations in Central Asian states such as terrorism by Islamic extremists. Chinese engagement in the Shanghai Cooperation Organization (SCO), which was established in June 2001, is viewed as an indication of China’s concerns in such areas. Moreover, China is also strongly interested in the energy and natural resources of Central Asia with a view to diversification of its supply source and procurement methods of these resources 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 been at odds with India due to such issues as border conflicts, it has traditionally maintained an extremely close relationship with Pakistan, which has been at odds with India as well. It is believed that, as illustrated by the joint development of the JF-17 fighter, their cooperation in the military sector including exporting weapons and military technology transfer is also advancing. As the importance of the sea lanes is increasing for the globalizing Chinese economy, it is believed that the importance of Pakistan that faces the Indian Ocean is increasing for China. 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 its 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 their intent to place importance on economic growth as well as their responses to progressing U.S.–India relations. Regarding military exchanges, China has conducted a variety of joint exercises with Pakistan and India since 2003 including joint naval search and rescue exercises.

(4) Relations with EU Countries
For China, the European Union (EU) countries are now as important a partner as Japan and the United States, especially in the economic field. China, through 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 technologies 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. For this reason, Japan has expressed to the EU its objection to lifting the arms embargo on China. However, because the EU is asking China for financial support to handle the European government debt crisis, some see that China may accelerate its move to call for a lift of the arms embargo on this occasion. It is necessary to pay continuous attention to future discussions within the EU.

13 “Yearbook 2012” of the Stockholm International Peace Research Institute (SIPRI) points out that Pakistan accounts for about 61% of the total Chinese export value of weapons from 2007 to 2011, becoming the largest importer of Chinese weapons.

14 For example, in November 2010 then Chinese President Hu Jintao visited France, where China and France announced a joint statement including the support for lifting the arms embargoes against China. Several EU countries appear to be positive about it.
(5) Relations with Middle East, African Countries, Pacific Islands, and Central and South American Countries

China has been enhancing its relations with Middle-Eastern and African nations with a focus on its economic relations by actively assisting in their infrastructure development and investing in their resource and energy development and has been further expanding its influence in the region. In recent years, not only interactions among top levels of states and high-ranking military officials but also arms exports and exchanges between military forces are actively conducted. Behind these moves, some see China’s intention to ensure stable supply of energy and natural resources and also to secure its overseas bases in the future.

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.

Chinese military officials visit countries including Argentina and Brazil on a regular basis to enhance its relations with Central and South American countries. China has reportedly been working on improvement of its relations with these countries through such events as the medical services missions by a hospital ship of the Chinese Navy.

7 International Transfer of Weapons

China is expanding provision of weapons such as small arms, tanks, and aircraft to developing countries in Asia, Africa, and other areas. It is reported that the main recipients are Pakistan, Iran, and Bangladesh, while weapons are also being exported to African countries such as Namibia, Egypt, Algeria, and Sudan as well as Central and South American countries including Venezuela and Peru. Some experts claim that China transfers weapons in order to strengthen its strategic relationships with the allies, enhance its influence in the international community, and secure energy and natural resources. It is pointed out that China is supplying weapons to countries that have problems in terms of democracy and human rights, and attention is paid to whether China will improve the transparency of international weapons transfer in response to the concerns of the international community.

4 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 the introduction of advanced technologies and improvement of joint operational capabilities. Additionally, in light of the serious damage that occurred from the typhoon in August 2009, the Taiwanese armed forces identified disaster prevention and relief as one of their major missions.

With regard to Taiwan’s military power at present, ground forces include 39 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 the air, naval, and ground forces would be available in case of war. Regarding naval capabilities, in addition to Kidd-class destroyers which were 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 the PLA is enhancing its missile, naval, and air forces, the Taiwanese military believes it still needs to modernize its equipment. The U.S. Department of Defense has notified Congress of possible arms sales to Taiwan based on the Taiwan Relations Act, but Taiwan also wishes to purchase the F-16C/D fighter aircraft and other arms from the United States. The issue is to be observed. Taiwan is also promoting the independent development of military equipment. The Tien Kung II surface-to-air missiles and Hsiung Feng II anti-ship missiles are deployed and it is believed that the Hsiung Feng IIE cruise missiles are being developed in order to acquire long-range attack capabilities.

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1 Recently, the Department of Defense notified Congress of possible sales to Taiwan of Patriot PAC-3 surface-to-air missiles and AH-64D attack helicopters in October 2008, possible sales of PAC-3 missiles, UH-60 helicopters, Osprey-class mine hunters, and others in January 2010, and possible arms sales including equipment necessary to upgrade F-16A/B fighter aircraft in September 2011.
while the Tien Kung III surface-to-air missiles are being developed in order to ensure the capabilities to deal with ballistic missiles.

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, which overwhelms Taiwan in terms of quantity, has also been steadily modernizing its naval and air forces in recent years in terms of quality, where Taiwan had superiority over China.

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 countermeasures.

In addition to the sizes of forces and performance and quantity of military equipment, a comparison of military capabilities should take into account various factors such as the objectives and characteristics of envisioned military operations, the operational posture, proficiency in 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. Attention should be paid to the modernization of both the Chinese and Taiwanese military capabilities and U.S. weapon sales to Taiwan. (See Figs. I-1-3-5, I-1-3-6)