China, the world’s most populous country, has a vast landmass surrounded by a long borderline shared with 14 countries as well as 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.

In recent years, China has increased its presence in the international community. For example, China has been playing a certain role in non-traditional security areas. It actively sends personnel to U.N. Peacekeeping Operations (PKO) and has been sending its ships continuously for 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 in the international community, accept and comply with international norms, and play an active role in a more cooperative manner on regional and global issues. On the other hand, there have been disputes between China and other countries on issues relating to trade imbalances, currency rates, and human rights. Especially in regard to conflicts over maritime interests, China has adopted so-called assertive measures, including attempts to alter the status quo by coercive measures based on China’s own assertion which is incompatible with the existing international law and order. These measures include dangerous acts that could cause unintended consequences and raise concerns over China’s future direction.

China has various domestic problems. Corruption within central and local communist party leaderships is becoming a significant political problem. As a result of China’s 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 and industrial water. Moreover, issues associated with the rapid aging of the population are forecasted to arise in the future. China is expected to continue to tighten its control over society as these potentially destabilizing factors to the government administration expand and diversify. However, analysts point out that with the spread of the Internet, coupled with other factors, the Chinese government will face increasing difficulties controlling activities of the masses. Moreover, China 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. According to reports, some ethnic minorities are undertaking campaigns seeking separation and independence. Against this background, Xi Jinping assumed the post of General Secretary of the Chinese Communist Party (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. The environment surrounding the Xi government is not optimistic. During the third plenary session of the 18th CCP Central Committee in November 2013, the session adopted “The Decision on Major Issues Concerning Comprehensively Deepening Reforms” regarding reforms in a wide range of areas, such as economics, politics, culture, society, environment, and national defense and the military. Through the Decision, the Central Committee decided to establish a central leading team for comprehensively deepening reform, which is deemed responsible for the overall design of the reform. The team held its first meeting in January 2014. How these reforms will take shape, including how China will deal with corruption problems within the party, will be a point to watch out for going forward.

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 strengthening its military forces broadly and rapidly by sustaining large increases in its defense budget. In particular, China gives priority to the Taiwan issue as a core issue of national sovereignty. It is deemed that China is strengthening its military forces for the time be-
Defense Policies of close coordination between military struggle and political, are closely watching China’s military trends. Politically and economically but also militarily, other countries for dealing with the Taiwan issue. With China now having considerable influence in the international community not only politically and economically but also militarily, other countries are closely watching China’s military trends.

Military Affairs

1 Defense Policies

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 the 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 the military forces, and to protect the stability and peace of the world.

China has a policy to actively promote “Revolution in Military Affairs with Chinese Characteristics,” which mainly aims to promote 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 other wars. It is believed that China emphasizes not only physical means but also non-physical means in military affairs and warfare, and incorporated the concept of “Three Warfares” — “Media Warfare,” “Psychological Warfare,” and “Legal Warfare” — into the tasks of the political work of the military. In addition, China has set forth a policy of close coordination between military struggle and political, diplomatic, economic, cultural, and legal endeavors.

China is believed to be strengthening its military forces with its top priority foremost in mind, namely, dealing with the Taiwan issue, more specifically, improving China’s capabilities to hinder the independence of Taiwan and foreign military support for the independence of Taiwan. Furthermore, in recent years, China is working actively to acquire capabilities for missions other than dealing with the Taiwan issue, and stresses the use of the military in non-traditional security areas. With regard to China’s military strengthening, China proclaims that it would “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,” suggesting that China’s military forces will be developed in tandem with the enhancement of its national strength.

China has been sustaining large increases in its defense spending and broadly and rapidly reinforcing its military forces, mainly its nuclear and missile force as well as its Navy and Air Force. As part of such efforts, it is understood that China is strengthening its so-called “A2/AD” capabilities. In addition, China is working to improve joint operational capabili-

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2 For a definition of A2/AD capabilities, see Part I Overview, Section 2, Footnote 4.
3 According to China’s National Defense in 2010, in the China’s Peaceful Development white paper released in September 2011, China explained that it pursues “peaceful development” but “never seeks hegemony,” and 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.”
4 China amended the Regulations of the People’s Liberation Army (PLA) on the Political Work in 2003 to add Media, Psychological, and Legal Warfares to the PLA’s political work. The U.S. DOD’s “Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China” (August 2011) explains these warfares 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.
5 China’s National Defense in 2006 also states the following target: “by and large reach the goal of modernization of national defense and armed forces by the mid-21st century.”
ties, enhance capabilities for extended-range power projection, conduct practical exercises, cultivate and acquire highly-capable personnel for administering operations of informatized forces, and improve the foundation of its domestic defense industry. Furthermore, China has been rapidly expanding and intensifying its activities in the seas and airspace, including the East China Sea and South China Sea. In particular, China has adopted so-called assertive measures, including attempts to alter the status quo by coercive measures, in response to issues involving conflicting maritime interests. Japan has great concerns over such Chinese military activities, etc., together with the lack of transparency in its military affairs and security issues, and needs to pay utmost attention to them. These activities also raise security concerns for the region and the international community.

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 has not set out a clear, specific future vision of its military strengthening. The transparency of its decision-making process in relation to military and security affairs is not enough either.

China has released defense white papers including China’s National Defense every two years since 1998, and it conducts numerous dialogues 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 framework. The Chinese Ministry of National Defense has been giving monthly press conferences by a spokesperson since April 2011. In addition, in November 2013, the position of spokesperson was newly established at seven departments, including the Navy and Air Force, and the spokesperson disseminates information regarding developments related to the People’s Liberation Army (PLA). Such moves by China can be perceived on the one hand as efforts that contribute to the improvement of the transparency of military forces, and on the other as efforts to strengthen “Media Warfare.”

However, with regard to national defense spending, China has not provided a detailed breakdown of the procurement expenses of major equipment and other details. In the past, China used to disclose the total amounts and general purposes for the following three categories: personnel; training and maintenance; and equipment. Nonetheless, such explanations have not been offered in recent years. 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 on some topics it gave more details than in the past, there was no reference to national defense spending that was described in previous defense white papers. Thus, transparency is declining in regard to national defense spending, and China has not yet achieved the levels of transparency expected of a responsible nation in the international community.

In addition, incidents have been occurring that incite concerns over China’s military decision-making and actions, including Chinese explanations that are contrary to the truth. 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), among other incidents, 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. Additionally, with regard to the incident in which Chinese fighter planes flew abnormally close to aircraft of the JMSDF and JASDF (May 2014), the Chinese Ministry of National Defense gave explanations that were contrary to the truth, namely that Japanese aircraft “entered the airspace for the Chinese drills without reporting to China and conducted dangerous acts.” In recent years, amid the significant changes in the environment surrounding the military, including advancement in military specialization and diversification of missions associated with military strengthening, some see that relations between the CCP leadership and the PLA have become increasingly complex, and others see that the degree of military influence on foreign policy decisions has been changing. Such situations are also a point to watch out for in terms of crisis management. Another point to watch out for is the relationship between the National Security Commission, which was established at the third plenary session of the 18th CCP Central Committee and which China announced was tasked with the unified planning and coordination of important national security matters, and

6 The seven departments are: PLA General Political Department; PLA General Logistics Department; PLA General Armaments Department; PLA Navy; PLA Air Force; PLA Second Artillery Corps; and People’s Armed Police.
7 China’s National Defense in 2008 provided a breakdown of personnel expenses, operation maintenance costs, and equipment costs, respectively, for the active force, reserve force, and militia, as far as the FY2007 defense budget figures are concerned.
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.”
China’s influence in the international community has risen not only politically and economically but also militarily, and other countries are closely following China’s moves. In order to allay other countries’ concerns over China, it is becoming 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.

3 National Defense Budget

China announced that its national defense budget for FY2014 was approximately 808.2 billion yuan. The initial budget amount announced represented a growth of approximately 12.2% (approximately 88.1 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 grown approximately 40-fold over the past 26 years and almost quadrupled in size over the past ten years. China positions the buildup of defense capabilities as important a task as economic development, and it is believed that China is continuing to invest resources in the improvement of its defense capabilities in tandem with 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.

See Fig. I-1-3-1 (Change in China’s Announced Defense Budget)

Note: The total defense budgets for FY2002 and FY2004 were not disclosed, while the growth rates and the amount of increase for these two fiscal years were disclosed. 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 were calculated. However, the numbers as a result of the calculation were found to be inconsistent with the numbers China disclosed the following year. In this graph, 168.4 billion yuan and 210.0 billion yuan for FY2002 and FY2004, respectively, were used based on the calculation conducted on the assumption that the disclosed growth rates and the amount of increase are based on the actual defense expenditures for FY2001 and FY2003.
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).

During the third plenary session of the 18th CCP Central Committee, it was decided that the functions and organizations of the Central Military Commission and other bodies would be optimized, that the system of instruction and management of forces would be perfected, that the Central Military Commission’s command structure for joint operations and command system for joint operations in theaters would be developed, and that reforms of joint operation trainings and logistical support mechanisms would be promoted. It is believed that these reforms are aimed at developing a more practical PLA through improving its joint operational capabilities and logistical support capabilities. Although how these reforms will take shape is currently unclear, the developments to come, such as the reforms’ impact on the security of the region including Japan, will be a point to watch out for.

(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 missile (ICBM); submarine-launched ballistic missile (SLBM); intermediate-range ballistic missile/medium-range ballistic missile (IRBM/MRBM); and short-range ballistic missile (SRBM). The update of China’s ballistic missile forces from a liquid 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, mounting warheads, 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. According to some analysts, China has already deployed the DF-31A and will increase its numbers. Regarding SLBM, China currently appears to be developing a new JL-2 whose range is believed to be approximately 8,000 km, and constructing and commissioning Jin-class nuclear-powered ballistic missile submarines (SSBNs) 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 (ASBMs), 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 at least 1,500 km, as well as the H-6 (Tu-16), bombers that are capable of carrying nuclear weapons and cruise missiles. It is deemed that these missiles will complement ballistic missile forces, covering the Asia-Pacific region including Japan. Concerning SRBM, China possesses a large number of solid-propellant DF-15...
and DF-11, and they are believed to be deployed facing Taiwan\textsuperscript{21}. It is believed that their ranges cover 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 mid-course 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 (Range of Ballistic Missiles from China (Beijing))

(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

\textsuperscript{21} The U.S. DOD’s “Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China” (June 2014) states that as of November 2013 China possessed more than 1,000 SRBM. In addition, in March 2011, Taiwan’s National Security Bureau Director Tsai De-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.
motorize and mechanize its infantry. In addition, China is believed to be strengthening its airborne troops (belonging to the Air 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 joint operational capabilities and efficient operations, and also to work on reforms to improve its logistical support capabilities. In 2009, China carried out “Stride 2009” exercises which were

![Diagram of the People's Liberation Army](image)

**Fig. I-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>Total military forces</strong></td>
<td>Approx. 2.3 million troops</td>
<td>Approx. 290,000 troops</td>
</tr>
<tr>
<td><strong>Ground forces</strong></td>
<td><strong>Group troops</strong></td>
<td>Approx. 200,000 troops</td>
</tr>
<tr>
<td></td>
<td>Approx. 1.6 million troops</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Tanks</strong></td>
<td>M-60, M-48A/H and others</td>
</tr>
<tr>
<td></td>
<td>Type-99/A, Type-98/A,</td>
<td>Approx. 1,200 vehicles</td>
</tr>
<tr>
<td></td>
<td>Type-96/A, Type-88A/B and others</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Approx. 7,600 vehicles</td>
<td></td>
</tr>
<tr>
<td><strong>Warships</strong></td>
<td>Approx. 2,580 aircraft</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Approx. 890 vessels / 1,423 thousand tons</td>
<td></td>
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<tr>
<td></td>
<td>Approx. 60 vessels</td>
<td></td>
</tr>
<tr>
<td><strong>Destroyers &amp; frigates</strong></td>
<td>Approx. 70 vessels</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Approx. 10,000 troops</td>
<td>Approx. 410 vessels / 201,000 tons</td>
</tr>
<tr>
<td><strong>Modern fighters</strong></td>
<td>J-10 x 264</td>
<td>Mirage 2000 x 56</td>
</tr>
<tr>
<td><strong>aircraft</strong></td>
<td>Su-27/J-11 x 328</td>
<td>F-16 x 145</td>
</tr>
<tr>
<td></td>
<td>Su-30 x 97</td>
<td>F-CK-1 (IDF) x 128</td>
</tr>
<tr>
<td></td>
<td>(Fourth-generation fighters x 689)</td>
<td>(Fourth-generation fighters x 329)</td>
</tr>
<tr>
<td><strong>Reference</strong></td>
<td><strong>Population</strong></td>
<td>Approx. 23 million</td>
</tr>
<tr>
<td></td>
<td>Approx. 1.360 billion</td>
<td>2 years</td>
</tr>
<tr>
<td></td>
<td><strong>Term of service</strong></td>
<td>1 year</td>
</tr>
</tbody>
</table>

*Source: The Military Balance (2014), etc.*
deemed the largest ever mobile exercises conducted by multiple military regions, and it has been carrying out similar “Mission Action” mobile exercises since 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. Furthermore, the Navy and Air Force also reportedly took part in “Mission Action 2013,” suggesting that such exercises are also intended to improve joint operational capabilities.

See Fig. I-1-3-3 (Deployment and Strength of the People’s Liberation Army)

(3) Naval Forces
The naval forces consist of three fleets—the North Sea, East Sea, and South Sea Fleets. The Chinese Navy has approximately 890 ships (including approximately 60 submarines), with a total displacement of approximately 1.42 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.

With regard to aircraft carriers, China has renovated the Varyag, an incomplete Kuznetsov-class aircraft carrier purchased from Ukraine. China began trial navigations in August 2011, and named the carrier “Liaoning” and put it into commission in September 2012. Even after the carrier was commissioned, 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, such as its takeoff and landing tests on the “Liaoning.” In November 2013, the carrier sailed in the South China Sea for the first time and conducted sea trials in this sea area. Some analysts point out that China may also be constructing its first domestic aircraft carrier.

In view of these developments concerning the strengthen-

(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 fighter, which is pointed out to be an imitation of the Su-27 fighter, as well as the domestic J-10 fighter. Additionally, China is developing the J-20 and J-31, which are pointed out to become next-generation fighters. 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 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 a variety of unmanned aircraft, including those capable of long-hour flights at high altitude for reconnaissance and other purposes and those

22 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.

23 The U.S. DOD’s “Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China” (June 2014) expresses the view that the aircraft carrier “Liaoning” continued fixed-wing aircraft training. It also notes that China is not expected to embark an operational wing until 2015 or later.

24 In May 2013, it was reported that the first carrier air wing was officially established in China.

25 The U.S. DOD’s “Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China” (June 2014) points out that China will likely build multiple domestically-produced aircraft carriers over the next decade and that the first Chinese-built aircraft carrier will likely be operational in the early 2020s.

26 In his testimony at 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. In January 2011, China successfully conducted its first flight test of the J-20 prototype.

27 On January 26, 2013, the Ministry of National Defense of China announced that it succeeded in the first flight test of the Y-20 large cargo aircraft developed by China and that it would continue various related tests and trial flights based on its plan.
Chapter 1

Defense Policies of Countries

Part I

Security Environment Surrounding Japan

Maritime Activities

(5) Military Use of Space and Cyber Warfare Capabilities

China may be utilizing space for military purposes. In addition, it has interest in cyber space. This 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, increasingly rely on satellites and computer networks.

See Part I, Chapter 2, Section 4 (Outer Space and Security); Part I, Chapter 2, Section 5 (Trends Concerning Cyberspace)

(2) Situation of Activities in Japan’s Surrounding Sea Areas

In recent years, China is believed to be aiming to build up capabilities to conduct operations in more distant waters and airspace. Accordingly, China has been rapidly expanding its maritime activities based on sea power and air power, both qualitatively and quantitatively. With regard to its activity in the sea areas and airspace surrounding Japan, Chinese naval vessels and navy and air force aircraft have been observed conducting training exercises of some kind, such as carrier-based helicopter flights and fleet formation and maneuver exercises, as well as 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. Such activities by China include those that involve incursion into Japan’s territorial waters, intrusion into Japan’s airspace, and dangerous acts that could cause unintended consequences, including a Chinese vessel’s direction of a fire control radar at a JMSDF destroyer, the flight of Chinese military fighter jets abnormally close to JSDF aircraft, and activities that could infringe upon the freedom of overflight over the high seas, such as the establishment of the “East China Sea Air Defense Identification Zone,” and are extremely regrettable. China is urged to accept and comply with international norms.

See Part I, Chapter 2, Section 5 (Trends Concerning Cyberspace)
conducted routinely. Every year since 2008, Chinese naval fleets have been passing the sea area between the main island of Okinawa and Miyako Island. However, in April 2012, a naval fleet passed the Osumi Strait eastward for the first time, and in October of the same year, they navigated the sea area between Yonaguni Island and Nakanokami Island near Iriomote Island northward for the first time. In July 2013, Chinese naval fleets passed the Soya Strait eastward for the first time. As such, the Chinese naval fleets’ advancement and homing routes between the East China Sea and the Pacific Ocean continue to become diverse by incorporating the areas north of Japan, and it is understood that China seeks to improve its deployment capabilities to the open ocean. Furthermore, in October 2013, China reportedly conducted “Maneuver 5,” the first joint exercise by its three naval fleets in the western Pacific Ocean.

In addition, Chinese naval vessels appear to routinely conduct operations in the East China Sea. After referring to its own position regarding the Senkaku Islands, China alleges that patrols by Chinese naval vessels in the sea areas under its jurisdiction are completely justifiable and lawful. 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.

With regard to the activities of Chinese government vessels, in December 2008, “China Maritime Surveillance” vessels belonging to the State Oceanic Administration (SOA) of the Ministry of Land and Resources of China hovered and drifted inside Japan’s territorial waters near the Senkaku Islands—operations which are not permitted under international law. Subsequently, in August 2011 as well as in March and July 2012, “China Maritime Surveillance” vessels and “China Fisheries Law Enforcement Command” vessels belonging to (then) Bureau of Fisheries of the Ministry of Agriculture of China intruded into Japan’s aforementioned territorial waters. As these examples demonstrate, “China Maritime Surveillance” and “China Fisheries Law Enforcement Command” vessels have gradually intensified their activities in Japan’s territorial waters in recent years. Such activities intensified considerably and Chinese government vessels began to intrude into the aforementioned territorial waters intermittently after September 2012, when the Japanese government acquired property rights to and ownership of three of the Senkaku Islands (Uotsuri Island, Kitakojima Island, and Minamikojima Island). In April and September 2013, eight Chinese government vessels intruded into the

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32 For example, a PLA Daily article dated February 19, 2014 reported that in recent years, the average number of days in a year that a unit in the East Sea Fleet of the Chinese Navy conducted operations exceeded 190 days.

33 In February 2012, a survey vessel of the Japan Coast Guard conducting a marine survey in Japan’s EEZ was demanded to stop the activity by two “China Maritime Surveillance” ships that belong to the SOA. Similar incidents occurred in May and September 2010.
In September 2010, Japan Coast Guard patrol vessels and a Chinese fishing trawler collided in Japan’s territorial sea surrounding the Senkaku Islands.

In October 2012, vessels of the East Sea Fleet of the Chinese Navy and “China Maritime Surveillance” and “China Fisheries Law Enforcement Command” vessels conducted a joint exercise with a focus on maintaining and defending China’s territorial sovereignty and maritime interests. Furthermore, the Navy is believed to be supporting maritime law enforcement agencies both in terms of operation and equipment, including handing over retired Navy vessels to the China Coast Guard that was formally launched in July 2013.

(3) Situation of Activities in Japan’s Surrounding Airspace

In recent years, activities by Chinese naval and air force aircraft, which appear to be activities for gathering information about Japan of some form, have been observed frequently. The number of scrambles by the JASDF against Chinese aircraft is also increasing dramatically.

With regard to the activities of air forces in the airspace above the East China Sea, Chinese aircraft have been diversifying their flight patterns. In September 2007, multiple H-6 bombers flew into Japan’s Air Defense Identification Zone (ADIZ) above 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. In 2012, China intensified the activities of its aircraft, including fighters. In January 2013, the Chinese Ministry of National Defense made public the fact that Chinese military aircraft regularly conducted warning and surveillance activities and that Chinese fighters conducted activities believed to be Combat Air Patrols (CAP) in the East China Sea. In addition, in the most recent Chinese defense white paper, the phrase “air vigilance and patrols at sea” was added for the first time ever.

On November 16 and 17, 2013, a Tu-154 intelligence gathering aircraft flew over the East China Sea on two consecutive days. On November 23, the Chinese government announced that it established the “East China Sea Air Defense Identification Zone (ADIZ)” including the Senkaku Islands which China described as if they were a part of China’s “territory,” that it obligated aircraft flying in the said zone to abide by the rules set forth by the Chinese Ministry of National Defense, and that the Chinese Armed Forces would take “defensive emergency measures” in the case where such aircraft does not follow the instructed procedures. Japan is deeply concerned about such measures, which are profoundly dangerous acts that unilaterally change the status quo in the East China Sea, escalating the situation, and that could cause unintended consequences in the East China Sea. Furthermore, the measures unduly infringe the freedom of overflight over the high seas, which is the general principle of international law. Japan is demanding China to revoke any measures that could infringe upon the freedom of overflight over the high seas. The United States, the Republic of Korea (ROK), Australia, and the European Union (EU) have expressed concern about China’s establishment of such zone.

On the very day that China announced the establishment of the East China Sea ADIZ, a Tu-154 intelligence gathering aircraft and a Y-8 intelligence gathering aircraft flew over the East China Sea, respectively. On the same day, the Chinese Air Force announced that it conducted its first patrol flight since the establishment of the ADIZ. Subsequently, the Chinese Armed Forces announced on November 28 that its KJ-2000 Airborne Early Warning and Control system and Su-30 and J-11 fighters conducted patrol flights in the ADIZ, and announced on the following day that its Su-30 and J-11 fighters scrambled. On December 26, 2013, the Chinese Armed Forces announced that in the one month that passed since the establishment of the ADIZ, a total of 87 reconnaissance aircraft, early warning aircraft and

H-6 bomber that flew through the airspace between the main island of Okinawa and Miyako Island and advanced to the Pacific Ocean [September 2013]

Tu-154 intelligence gathering aircraft flying above the East China Sea [November 2013]
In March and April 2011 and in April 2012, Chinese helicopters, etc. that appeared to belong to the SOA flew close to JMSDF destroyers which were engaged in monitoring and surveillance in the East China Sea. Further still, in May and June 2014, two Su-27 fighters of China flew abnormally close to the aircraft of JMSDF and JASDF that were conducting routine monitoring and surveillance activities in the East China Sea. The Chinese Ministry of National Defense announced that JSDF aircraft conducted dangerous acts against Chinese aircraft. However, the operations of JSDF aircraft were legitimate activities in compliance with the international law. There is no truth to the Chinese assertion that JSDF aircraft carried out dangerous acts.

With respect to air forces’ advancement into the Pacific Ocean, it was confirmed for the first time by the JASDF’s scrambling fighters that a Y-8 early warning aircraft and a H-6 bomber flew through the airspace between the main island of Okinawa and Miyako Island and advanced to the Pacific Ocean in July and September 2013, respectively. Similar flights were conducted by two Y-8 early warning aircraft and two H-6 bombers (total: four aircraft) on three consecutive days in October of the same year and by one Y-8 intelligence gathering aircraft and two H-6 bombers (total: three aircraft) in March 2014. As such activities demonstrate, China has been further intensifying the activities of its aircraft, including fighters.

Regarding Japan’s airspace over and around the Senkaku Islands, in December 2012, a fixed-wing aircraft belonging to the SOA violated the territorial airspace first as a Chinese aircraft. Since then, fixed-wing aircraft belonging to the SOA have been frequently observed flying near the airspace.

On March 7, 2011, a Chinese Z-9 helicopter believed to belong to the SOA flew as close as approximately 70 m and as low as approximately 40 m above the water around the Japanese destroyer Samidare, which was patrolling the waters in the central area of the East China Sea. On March 26, a Z-9 helicopter flew again as close as approximately 90 m and as low as approximately 60 m above the water around the destroyer Isoyuki. Furthermore, on April 1, a Y-12 aircraft which was believed to belong to the SOA flew as close as approximately 90 m and as low as approximately 60 m above the water around Isoyuki. On April 12, 2012, a Y-12 aircraft, believed to belong to the SOA flew as close as approximately 50 m and as low as approximately 50 m above the water around the destroyer Asayuki.
(4) Situation of Activities in the South China Sea and Indian Ocean

China has also been intensifying its activities in the South China Sea, including waters around the Spratly Islands and the Paracel Islands, over which territorial disputes exist with neighbors, including some ASEAN member states. 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. In addition, in December 2013, a Chinese naval vessel cut across the bow of a U.S. Navy cruiser operating in the South China Sea at point blank range. 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 neighboring countries over the South China Sea, as illustrated by protests by Vietnam and the Philippines against China’s activities in these waters.

Additionally, Chinese naval vessels have advanced into the Indian Ocean. Since December 2008, Chinese naval vessels have been navigating in the Indian Ocean and advanced into the coast of Somalia and in the Gulf of Aden to take part in international anti-piracy efforts. In 2010 and 2013, a Chinese Navy’s hospital ship carried out “Mission Harmony,” a medical service mission, to assist countries, including countries off the coast of the Indian Ocean. Furthermore, from the end of 2013 to the beginning of 2014, a Chinese naval nuclear submarine reportedly advanced into the Indian Ocean and conducted operations off the coast of Somalia and in the Gulf of Aden. In the same year, a Chinese naval vessel is said to have advanced into the Indian Ocean from the Sunda Strait and conducted trainings. As such examples demonstrate, the Chinese Navy has improved its capacity to execute operations in more distant waters, including the Indian Ocean.
(5) Objectives of Maritime Activities

Taking into consideration such factors as the situation of the development of Chinese naval and air forces, situation of activities in sea areas and airspace, statements in defense white papers, China’s geographical location and economic globalization, the maritime activities of the Chinese Navy, Air Force and other organizations are considered to have the following objectives.

The first one is to intercept operations by enemies in waters and airspace as far as possible from China in order to defend its territory, territorial waters and territorial airspace. 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 foreign intervention into Taiwan surrounded by the sea in all directions through China’s use of force, it needs to enhance its military operational capabilities at sea and airspace.

The third one is to weaken the control of other countries over the islands to which China claims territorial sovereignty, while strengthening the claim of its territorial sovereignty, through various surveillance activities and use of force in the seas and air space 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 the 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 Chinese economy. The question of which parts of its sea lanes of communication the Chinese Navy deems it should defend depends on such factors as the international situation at the time. However, given the recent strengthening of the Chinese Navy and Air Force, it is believed that they will develop a capacity to defend areas going beyond the waters near China.

Given these objectives and recent trends in China’s activities in sea areas and airspace, it is believed that China plans to further expand the sphere of its maritime activities, and further intensify its operations in waters surrounding Japan, including the East China Sea and the Pacific Ocean, as well as the South China Sea and the airspaces over these seas areas. Therefore, more attention needs to be paid to activities such as operations of naval vessels as well as Navy and Air Force aircraft, various surveillance operations near Japan, developments of facilities that serve as bases for these activities, and evolution of China’s interpretation 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 non-traditional security issues such as peacekeeping, humanitarian assistance and disaster relief, and anti-piracy. In order to carry out these missions, it has been actively dispatching its units overseas. It is believed that in the background of the PLA’s stance on international military activities is the expansion of China’s national interests beyond its national borders, which in turn increased its necessity to protect and promote its national interests overseas, as well as China’s intent to raise its stature by demonstrating its will 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 Employment of China’s Armed Forces,” among other sources, it has sent more than 22,000 military personnel to the U.N. PKO. According to the United Nations, as of the end of April 2014, China had deployed a total of 2,180 personnel, civilian police officers, and military observers to the U.N. PKO, including the United Nations Multidimensional Integrated Stabilization Missions in Mali (MINUSMA). Thus, China shows a certain active attitude to the U.N. PKO. In the background of China’s proactive attitude to the U.N. PKO is deemed to be its intent to strengthen its relations with the regions where the PKO is conducted, particularly with African nations.

Furthermore, as its first mission in distant waters, the Chinese Navy has dispatched vessels to the coast of Somalia and the Gulf of Aden since December 2008 in order to escort Chinese and other ships. The Chinese Navy is hence improving its capacity to execute naval operations in more distant waters, demonstrating that China is placing a greater emphasis on pro-

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36 With regard to resource development in the East China Sea, in September 2010, China unilaterally announced postponement of the negotiation to conclude an international agreement with Japan for implementing the so-called “June 2008 Agreement.” While the negotiation has not been resumed yet, it is pointed out that China is highly likely carrying out gas production in the Kashi gas field (Tianwaitian in Chinese) and elsewhere. Meanwhile, China’s SOA announced that the “Haiyangshiyu 981,” oil rig, succeeded in its first drilling in the South China Sea in May 2012.

37 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, including for the deployment of aircraft carriers.

38 It is pointed out that, in recent years, China aims to limit military activities of other countries in coastal areas of China’s EEZs 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 EEZs.
tecting its sea lanes of transportation.

In view of the deteriorating situation in Libya, China 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 overseas. In addition, from November to December 2013, China dispatched a hospital ship to conduct medical relief activities in the Philippines. 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 strengthen 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. This is considered as 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 its objective 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 of 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 their indigenous production. The country manufactures much of its military equipment domestically and is actively carrying out research and development of 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 serving the role of supporting the strengthening of Chinese military forces.

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

39 The U.S. DOD’s “Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China” (August 2011) explains with regard to 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.
technological exchanges where military technologies are utilized for developing 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 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 Defense Policies

On the one hand, China has adopted so-called assertive measures, including attempts to alter the status quo by coercive measures, especially for issues involving conflicting maritime interests. On the other hand, China recognizes that a peaceful and stable international environment is necessary for maintaining sustainable economic development and enhancing China’s overall national power. Based on such recognition, in its relationships with other countries, China proactively carries out 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 consider 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 other countries’ concerns regarding China by strengthening its relations with these countries, creating a favorable security environment for China, enhancing China’s influence in the international community, securing stable supplies of natural resources and energy, and building foreign bases.

2 Relations with Taiwan

China upholds 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. Meanwhile, China is strongly opposed to any foreign intervention in the unification of China as well as any move towards the independence of Taiwan, and on this basis, has repeatedly stated that it has not renounced the use of force. 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 (Kuomintang), re-elected in the presidential election in January 2012, continues to advocate, in his second term, a policy of pursuing Taiwanese economic development by expanding economic exchanges with China and the status quo rather than independence. As exemplified by the entry into force of the Economic Cooperation Framework Agreement (ECFA), the bilateral relationship is deepening primarily along the economic realm. In February 2014, the Minister of the Taiwan Affairs Office of the State Council of China and the Minister of the Mainland Affairs Council of Taiwan held the first ministerial meeting between China and Taiwan. On the security front, while China urged that the two countries 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 their own assertions, and Taiwan has expressed reluctance to work with China. Attention will be paid to trends in the future relations between China and Taiwan including trends of political dialogues on military affairs.

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 to develop its economy, it is believed
that China will continue to aspire to maintain stable relations with the United States.

The United States expresses that it welcomes a China that takes on a responsible leadership role with the international community on such global issues as the recovery of the world economy, climate change, and proliferation of WMD. The United States proclaims that it will monitor the strengthening of Chinese military capabilities, recognizes that the two nations do not agree on every 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 countries should not prevent cooperation on issues of mutual interest.

China hopes to forge a kind of U.S.-China relationship it calls “a new model of major country relationship” based on mutual respect and “win-win” cooperation. However, consensus has not necessarily been reached between the United States and China regarding the specifics of the relationship.

Regarding the Senkaku Islands, the United States has reiterated that the Japan-U.S. Security Treaty applies to the islands. China protested, stating that it would never accept any word or deed that includes the islands within the scope of the treaty (statement by a spokesperson of China’s Ministry of Foreign Affairs in 2010).

China and the United States have deepened military exchanges and conducted 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 November 2013, the U.S. and Chinese armies conducted a humanitarian assistance and disaster relief exercise. In addition, from June 2014, Chinese navy vessels participated in the Rim of the Pacific Exercise (RIMPAC) for the first time. However, while China wishes 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 the sound development of 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 (EEZs), legal hurdles in mutual military exchanges, and a lack of strategic trust in China on the part of the United States. In addition, 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 and China regarding the specifics of the relationship.

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In addition, 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 of the decision-making process, 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 misunderstanding. 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 of decision-making for mutual understanding. In recent years, for instance, Strategic Security Dialogues have been established in 2011 in the U.S.-China Strategic and Economic Dialogues, and these dialogues have been held annually.

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. Sub-

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43 According to 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 “our two countries have a strong stake in peace and stability in East Asia and an interest in building a cooperative bilateral relationship.”

44 According to remarks by (then) Vice Chairman of the Central Military Commission (CMC) Xu Caihou in a meeting with (then) U.S. Secretary of Defense Robert Gates (October 2009), 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 EEZ constituted key obstacles to developing stable military-to-military ties.

45 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.
sequently, in 2004, the long-standing issue of border demarcation between the two countries came to a settlement. 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 and 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. In addition, joint military exercises are conducted, such as the large-scale joint naval exercise, “Naval Interaction,” in the Yellow Sea, the Sea of Japan off the coast of Vladivostok, and northern East China Sea in April 2012, July 2013, and May 2014, respectively. 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 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 the countries through active mutual top-level visits and other means. For example, 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.

China is also actively involved in multilateral frameworks such as ASEAN Plus One (China), ASEAN Plus Three (Japan, China and the ROK), and the ASEAN Regional Forum (ARF). In October 2013, President Xi Jinping visited Indonesia and Malaysia, and Premier Li Keqiang visited Brunei, Thailand and Vietnam. While China has been deepening its economic and cultural cooperation with ASEAN member states 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 wealth of 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
China has traditionally maintained an extremely close relationship with Pakistan, and mutual visits by their leaders take place frequently. 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 deepening. As the importance of sea lanes increases for the globalizing Chinese economy, it is believed that the importance of Pakistan is rising for China. This is partly because of the geopolitical features of Pakistan, namely it faces the Indian Ocean.

China and India have an unsettled border, and it is deemed that “problems” over this area have arisen between the two countries even in recent years. On the other hand, in recent

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46 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, June 2012, and July to August 2013, member states of the SCO conducted joint anti-terrorism exercises. The purpose of SCO is to promote cooperation in areas where the member states have common interests, such as maintenance of peace and stability in the region, joint actions against terrorism, and politics, trade, and economy. In addition to the anti-terrorism exercise “Peace Mission,” the SCO is making efforts for the 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.

47 Some observers also believe that Myanmar is attempting to end its excessive dependence on China in terms of diplomacy.

years, China has been committed to improving its relationship with India while also paying consideration to maintaining balance with Pakistan. Identifying China’s relationship with India as a strategic partnership, China actively conducts mutual visits by top leaders. It is believed that the deepening of bilateral relations is attributed to the importance China places on the economic growth of both countries as well as China’s response to strengthening 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\(^49\).

Regarding information technology, avionics, and air-independent propulsion systems for submarines and other areas, EU member countries possess more advanced technologies than 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 consistently expressed to the EU its objection to lifting the arms embargo on China, as well as requested EU member states to carry out more rigorous management of the exports of arms, dual-use goods, and their technologies to China. Continuous attention will need to be paid to future discussions within the EU.

(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 in the economic realm, including active assistance towards their infrastructure development and investment 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 hubs in the future.

China has also been boosting its relations with the Pacific islands. It has been developing oil, natural gas, and cobalt mines in Papua New Guinea and has signed an agreement on military cooperation with the country. Proactive and continual economic assistance has also been implemented to other islands. Furthermore, military exchanges are being promoted 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 been working to improve its relations with these countries through such activities as the medical services missions by a hospital ship of the Chinese Navy.

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 Bolivia. 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. Some observers point out that China supplies weapons to countries that struggle with democracy or have human rights problems. Attention will be on whether China will increase the transparency of international weapons transfer in response to the concerns of the international community.

\(^{49}\) For example, in November 2010, (then) Chinese President Hu Jintao visited France, and on this occasion, China and France announced a joint statement that included text supporting the lifting of the arms embargoes against China. It is deemed that some EU countries have positive opinions about the lifting of their arms embargoes against China.
Military Capabilities of Taiwan

Taiwan, under the guidance of building the “hard rock” defense advocated by President Ma Ying-jeou, 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. However, the Ministry of National Defense reportedly stated that the transformation into all-volunteer forces would not be feasible until 2016. 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 identify disaster prevention and relief as one of their major missions.

With regard to Taiwan’s military power, at present, ground forces, including the Navy Marine Corps, have a total of approximately 215,000 personnel. In addition, it is believed that 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, Ching-kuo 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. DOD 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, 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 strengthening 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, etc. 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 strengthening its military power, the overall military balance between China and Taiwan is shifting in favor of China. Attention should be paid to the strengthening of both the Chinese and Taiwanese military capabilities and U.S. weapon sales to Taiwan.

See Fig. I-1-3-7 (Changes in Taiwan’s Defense Budget); Fig. I-1-3-8 (Changes in Modern Fighter Aircraft of China and Taiwan)

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50 Recently, the U.S. DOD 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.
Fig. I-1-3-7 Changes in Taiwan’s Defense Budget

Source: “National Defense Reports,” Ministry of National Defense of Taiwan, etc.

Fig. I-1-3-8 Changes in Modern Fighter Aircraft of China and Taiwan

Source: Military Balance (of respective years)