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. 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 takes a proactive stance towards efforts in non-traditional security areas and makes personnel and financial contributions to U.N. PKOs. In addition, China has been sending its ships continuously for counter-piracy activities off the coast of Somalia and in the Gulf of Aden. Furthermore, China has participated proactively in humanitarian assistance and disaster relief activities. These activities have been highly appreciated by the international community. There are high expectations for China 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.

Yet, at the same time, there are disputes between China and other countries over various issues including human rights issues. While advocating “peaceful development,” China, particularly over maritime issues where its interests conflict with others’, continues to act in an assertive manner, including attempts at changing the status quo by coercion based on its own assertions incompatible with the existing order of international law. These actions include dangerous acts that could cause unintended consequences. China is poised to fulfill its unilateral demands without compromise, which has included making steady efforts to turn these coercive changes to the status quo into a fait accompli, raising strong concerns over China’s future direction.

In addition, China faces various problems domestically. The spread of bribery and corruption among the central and local leadership of the Chinese Communist Party (CCP) has become a significant political problem. Furthermore, China’s rapid economic growth has brought with it emerging problems such as regional disparities between urban-rural and coastal-inland regions, the issue of the tax system that facilitates these disparities, wealth gaps among urban residents, inflation, environmental pollution, and lack of agricultural and industrial water. More recently, China has witnessed a slowdown in its economic growth, spurring turbulence in the markets including volatility in stock prices. In the future, China is also expected to face issues associated with the rapid aging of the population, including pension

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1 The term China’s “peaceful development” began to come into formal use in around 2004. According to a paper presented by then State Councilor Dai Bingguo on March 11, 2011, “peaceful development” is thought to refer to China’s development whose nature is (1) peaceful, (2) independent, (3) scientific, (4) cooperative, and (5) common with other countries.
2 For example, the justification under international law for the “nine-dash line” asserted by China in the South China Sea is unclear, including under UNCLOS. Japan requests China to clarify to the international community the justification for China’s assertions under international law.
3 China strongly urges Japan, the United States, and other countries to respect China’s “core interests.” “Core interests” include “national sovereignty,” “national security,” “territorial integrity,” “national unification,” “national political system and social stability,” and “basic safeguards for ensuring sustainable economic and social development.” In particular, with regard to “territory,” some suggest that it refers to Taiwan, Tibet, and Xinjiang and includes also China’s territorial claims in the East China Sea and South China Sea. According to the Ministry of National Defense of China, in June 2016, during his meeting with former GSDF Chief of Staff Yoshifumi Hibako who was visiting China, Minister of National Defense Chang Wanguan stated to the effect that Japan was exaggerating “China’s military threat” by criticizing this and that about issues related to the “core interests” of China, including the East China Sea and South China Sea.
4 According to the National Bureau of Statistics of China, China’s gross domestic product (GDP) grew by 6.9% year-on-year in 2015. While it was along the lines of the Chinese government’s target of about 7%, the growth was the slowest since 25 years ago in 1990.
5 At the fifth plenary session of the 18th CCP Central Committee held in October 2015, the Chinese government decided to fully abolish the one-child policy which limited couples to one child as a general rule, allowing all couples to have up to two children. Underlying this decision is believed to be apprehension about the progression of China’s aging population.
and other issues related to the social security system. The Chinese government has been tightening its control over society as these potentially destabilizing factors to the government administration expand and diversify. However, it is suggested that controlling activities of the masses becomes increasingly difficult with the spread of the Internet, coupled with other factors. Additionally, China confronts issues concerning ethnic minorities in the country, with their staging protests and carrying out campaigns in pursuit of separation and independence in the Tibet Autonomous Region, the Xinjiang Uyghur Autonomous Region, and elsewhere.

In the meantime, the third plenary session of the 18th CCP Central Committee in November 2013 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. Accordingly, the People’s Liberation Army (PLA) is undergoing what can be described as its most significant reforms since the founding of the country. Also, in China, under the policy of cracking down on both “tigers” and “flies,” “corruption” has been subject to severe charges, including that conducted by former prominent leaders of the party and military such as Zhou Yongkang, then Politburo Standing Committee member, as well as then-Vice Chairmen of the Central Military Commission (CMC), Guo Boxiong and Xu Caihou. During the fifth plenary session of the 18th CCP Central Committee in October 2015, the idea of “sweeping law-based governance of the country” was presented as a guiding concepts of the 13th Five-year Plan (2016-2020). China is thus anticipated to continue addressing corruption within the party and the military.

On the diplomatic field, it is believed that, in order to maintain national stability, China strives to maintain stability in the strategic international environment by sustaining good relations with major powers such as the United States and Russia, while deepening relations with neighboring countries, and is strengthening cooperation with developing countries. In addition, China seeks to promote multipolarization of the world through building China-led multilateral mechanisms and to secure interests necessary for economic development such as natural resources and energy supply.

On the military front, for over a quarter decade, China has strengthened its military forces broadly and rapidly by sustaining large increases in its defense budget. In particular, China gives priority to the Taiwan issue as an issue pertaining to the “core” interest of national sovereignty. It is deemed that China is strengthening its military forces for the time being with the aim of improving military capabilities to prevent Taiwan’s independence. As part of such efforts, China is believed to be enhancing its asymmetric military capabilities to deter military forces of other countries from approaching and advancing to China’s surrounding region, and to inhibit their military activities in the region (so-called “A2/AD” capabilities). Additionally, China has made active efforts to acquire capabilities for missions other than for dealing with a Taiwan contingency. As China now has considerable influence in the international community politically, economically, and militarily, other countries are closely watching its military trends.

2. Military Affairs

Defense Policies

China regards that the buildup of strong defense capabilities and powerful military forces constitutes a strategic mission to modernize the state, and that it ensures the security of the state under “peaceful development.” China considers the main goal and mission of national defense policies as: to adapt to the changes in the new security environment; to accomplish the strategic guideline of active defense to realize the CCP’s goal of building a strong military; to accelerate the modernization of national defense and the military forces; to firmly protect its national sovereignty, security, and development interests; and to provide strong assurances for realizing the “Chinese dream” of the great revival of
the people of Chinese ethnicity. China contends that these defense policies are defensive in nature.  

China has a policy to actively promote “Revolution in Military Affairs with Chinese Characteristics,” which mainly aims to encourage mechanization and informatization of its military power, based on its military strategy to win local wars under informatized conditions. This is in response to global developments in military affairs 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. It has 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.

Dealing with a Taiwan contingency is believed to be a top priority in China’s strengthening of military forces; more specifically, improving its capabilities to hinder the independence of Taiwan and foreign military support for it. Furthermore, in recent years, China is working actively to acquire capabilities for missions other than dealing with a Taiwan contingency, and stresses 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.” These suggest that China’s military forces will be developed in tandem with the enhancement of its national strength.

China has sustained large increases in its defense spending and broadly and rapidly reinforced 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 capabilities, enhance capabilities for extended-range power projection, conduct practical exercises, cultivate and acquire personnel for administering operations of informatized forces, improve the foundation of its domestic defense industry, and ensure law-based military governance. Furthermore, China has rapidly expanded and intensified its activities at sea and in airspace, including the East and South China Seas. China, particularly over maritime issues where its interests conflict with others’, continues to act in an assertive manner, that is, for example, attempts at changing the status quo by coercion. China is also poised to fulfill its unilateral demands without compromise, which has included making steady efforts to turn these coercive changes to the status quo into a fait accompli. 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 keep utmost attention to them. These activities also raise security concerns for the region and the international community.

**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 neither set out a clear and specific future vision of its military strengthening, nor ensured adequate transparency of its decision-making process in relation to military and security affairs.

China has released defense white papers including “China’s National Defense” every two years since 1998. China also 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 November 2013, the position of spokesperson was newly established at seven departments, including the Navy and Air Force. Such moves 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, China has not provided a detailed breakdown of its national defense spending. In the past, China disclosed 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 papers released in April 2013 and May 2015, the contents were limited to selective topics. While on some topics they gave more details than in the past, the papers made no reference to national defense spending that was described in previous defense white papers, and the overall volume of the text decreased. In this respect, 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.

Incidents have been occurring that incite concerns over China’s military decision-making and actions, including Chinese explanations against the facts. For example, details have yet to be disclosed regarding the 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 an MSDF 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; that is, they have denied the use of the radar itself. With regard to the incident in which Chinese fighters flew abnormally close to aircraft of the MSDF and ASDF (May and June 2014), the Chinese Ministry of National Defense gave explanations that were contrary to the truth; it claimed 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 advances 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. Others opine that the military’s level of influence on foreign policy decisions has been changing. Attention will be paid to such situations also as an issue of crisis management.

Chinese false explanations are also evident in China’s coercive, rapid, and large-scale development on features in the South China Sea. In September 2015, at the U.S.-China summit meeting, President Xi Jinping stated, “China does not intend to pursue militarization.” However, in October 2015, the spokesperson of the Ministry of Foreign Affairs of China commented, “China has military facilities of a defensive nature.”

As China’s influence in the international community has risen politically, economically, and militarily, other countries are closely following China’s moves. In order to allay their 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 strongly 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 that its national defense budget for FY2016 was approximately 954.4 billion yuan. This initial budget amount represented a growth of
approximately 7.6% (approximately 67.5 billion yuan) compared to the initial budget amount for the previous fiscal year. China’s announced national defense budget has increased at a rapid pace, recording double-digit annual growth nearly consistently since FY1989. The nominal size of China’s announced national defense budget has grown approximately 44-fold in 28 years since FY1988 and nearly 3.4-fold in 10 years since FY2006. China positions the buildup of defense capabilities as important a task as economic development. It is believed that China continues to invest resources in the improvement of its defense capabilities in tandem with its economic development. Attention will be paid to how the slowdown in China’s economic growth affects China’s national defense budget.

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 (R&D) expenses.

### 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 CMC. 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 Rocket Force (strategic missile force).

#### (1) Military Reform

China is currently carrying out reforms of the PLA which some see as being the largest in the country’s history.

First, during the third plenary session of the 18th CCP Central Committee, the following were decided: adjusting functions and organizations of the CMC and other bodies; perfecting the system of instruction and management of forces; developing the CMC’s command structure for joint operations and command system for joint operations in theaters; and promoting reforms of joint operation exercises and logistical support.
mechanisms. The defense white paper “China’s Military Strategy” (May 2015) also mentions the development of the CMC’s command structure for joint operations and command system for joint operations in theaters.

China’s official position on a specific direction of the military reforms was unveiled in November 2015. At the CMC Reform Work Conference, President Xi Jinping announced that the military reforms would be carried out by 2020, which would include: implementation of the CMC’s centralized and unified leadership over the PLA; establishment of the Army’s headquarters; establishment of “theaters of operations” and a command structure for joint operations; reduction of troops by 300,000 personnel; and streamlining of administrative and non-combatant personnel.

Recently, these reforms have taken shape at a rapid pace. First, in late December 2015, a ceremony was held in Beijing for the establishment of the PLA Army Headquarters (PLAA), Rocket Force (PLARF), and Strategic Support Force (PLASSF). Following this, on January 11, 2016, the four general departments that were the headquarters for the entire PLA were replaced by 15 functional sections under the CMC, including the Joint Staff Department, Political Work Department, Logistic Support Department, and Equipment Development Department. On February 1, 2016, the PLA’s seven Military Regions were abolished, and five theaters of operations were newly created, namely, the Eastern Theater, Southern Theater, Western Theater, Northern Theater, and Central Theater.

It is considered that these series of reforms are designed to build military forces that can fight and win wars by improving their joint operational capabilities and strengthening the military’s readiness, including the development of military capabilities and organizational management from peacetime. It is suggested that the realignment of the four general departments was aimed to decentralize the leading organs and strengthening the direct leadership of the CMC and its Chairman. China is expected to continue these reforms. Attention will be paid to the outcomes of the reforms, including their effects on the security of the region including Japan.

(2) Nuclear and Missile Forces

China has made independent efforts to develop nuclear capabilities and ballistic missile forces since the mid-1950s, seemingly with a view to ensuring deterrence, supplementing its conventional forces, and maintaining its voice in the international community. It is regarded that China’s nuclear strategy is to 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 adversary’s country, should China be subject to nuclear attack. The unveiling of many strategic missiles at the military parade in Beijing on the occasion of the “commemorative event for the 70th anniversary of the victory of the Chinese people’s war of resistance against Japanese aggression” in September 2015, coupled with the establishment of the PLA Rocket Force of equal status as the Army, Navy, and Air Force as part of the ongoing military reforms, suggests that China will continue to attach importance to its nuclear capabilities and strategic missile force.
China possesses various types and ranges of ballistic missiles: ICBM; SLBM; IRBM/medium-range ballistic missile (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 believed that China is working to increase performance by extending ranges, improving accuracy, mounting warheads, and by other means.

China’s main ICBM strategic nuclear asset had been the fixed-site liquid-fueled DF-5 missile. However, it has been suggested that China has deployed the DF-31, which is a mobile-type ICBM with a solid propellant system mounted onto a TEL, as well as the DF-31A, a model of the DF-31 with extended range, and that China will increase the number of DF-31A in particular. With regard to SLBM, it is considered that Jin-class nuclear-powered ballistic missile submarines (SSBNs) to carry the JL-2, whose range is deemed to be approximately 8,000 km, are currently operational. If the Jin-class SSBNs begin nuclear deterrence patrols, it is believed that China’s strategic nuclear capabilities will improve significantly.

As for the IRBM/MRBM covering the Asia-Pacific.

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36 In accordance with the Intermediate-Range Nuclear Forces (INF) Treaty, the United States and Russia eliminated all of their SRBMs and IRBMs/MRBMs by 1991.
37 For differences between the liquid-propellant system and solid-propellant system, see Part I, Chapter 2, Section 2, Footnote 35.
38 The DF-5B is thought to carry multiple independently targetable re-entry vehicles (MIRVs).
39 The U.S. DoD’s “Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China” (May 2016) indicates that China is developing a new road mobile ICBM known as “DF-41,” which is capable of carrying MIRVs.
40 The U.S. DoD’s “Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China” (May 2016) notes that four Jin-class SSBNs have already been commissioned and one more is being built, and that “China will probably conduct its first...nuclear deterrence patrol sometime in 2016” with the SSBN carrying the JL-2.
region including Japan, China has the solid-propellant DF-21 and DF-26, which can be transported and operated on a TEL. These missiles are capable of carrying both conventional and nuclear warheads. China possesses ballistic missiles carrying conventional warheads with high targeting accuracy based on the DF-21, and deploys the DF-21D anti-ship ballistic missile (ASBM) carrying conventional warheads, which could be used to attack ships at sea including aircraft carrier. The DF-26, which has a range including Guam, is considered the “second-generation ASBM” developed on the basis of the DF-21D, and is thought to be capable of attacking moving targets. In addition to IRBM/MRBM, China 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), a bomber that is capable of carrying this cruise missile. It is deemed that these missiles will complement ballistic missile forces, covering the Asia-Pacific region including Japan. China is likely developing these ASBMs and long-range cruise missile assets to strengthen its “A2/AD” capabilities. Concerning SRBM, China possesses a large number of solid-propellant DF-16, DF-15, and DF-11, and they are believed to be deployed facing Taiwan. It is believed that their ranges cover also a part of the Southwestern Islands including the area surrounding the Senkaku Islands, which are inherent territories of Japan. Furthermore, in order to acquire striking force that will be capable of penetrating layered anti-missile defenses, China is considered to be developing a hypersonic glide vehicle which is launched by a ballistic missile. Attention will be paid to the relevant developments.

China announced that it 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-2-3-2 (Range of Ballistic Missiles from China (Beijing))

(3) 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. China is also believed to be strengthening its airborne troops (belonging to the Air Force), amphibious forces, and special operations forces and helicopter units. China undertakes efforts to make its military units multifunctional, to build a command system for improvement of its joint operational capabilities and efficient operations, and carries out reforms to improve its logistical support capabilities.

Since 2009, China has annually conducted mobile exercises that cut across multiple military regions such as Stride 2009, Mission Action (2010-2013), and Stride and Firepower (2014-). These are aimed at verifying and improving such capabilities necessary for deployment of Army units to distant areas, specifically as capabilities for the Army’s long-distance maneuver and for logistical support including mobilization of personnel.

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41 According to the defense white paper “China’s Military Strategy” (May 2015), China identifies “possessing both nuclear and conventional missiles” as one of the strategies for enhancing the military capabilities of the then Second Artillery Force.
43 DF-26 is called the “Guam killer” (Annual Report of the U.S.-China Economic and Security Review Commission [November 2015]).
44 The Annual Report of the U.S.-China Economic and Security Review Commission (November 2015) states that the H-6K bomber’s ability to carry the DH-10 (CJ-10) land attack cruise missile and the DF-26 (IRBM), which allow for more long-distance attacks, enables China to target as far as the second island chain including Guam.
45 The U.S. DoD’s “Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China” (May 2016) states that as of late 2015, China possessed at least 1,200 SRMAs, including the DF-16.
46 In January, August, and December 2014, June, August, and November 2015, and April 2016 (total 7 times), China reportedly conducted flight tests of its hypersonic glide vehicle “WJ-14/DF-27,” which is said to travel at ultra-high speed and be difficult to intercept by a missile.
47 China has systems capable of intercepting ballistic missiles, such as the surface-to-air missiles of the HQ series, including HQ-9, and the SA-10/20 (S-300 series) surface-to-air missile imported from Russia.
48 The U.S. DoD’s “Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China” (May 2016) writes that China has twice successfully intercepted a ballistic missile. In addition to these two tests, China claims that the test conducted in July 2014 was another missile interception technology test. However, it is pointed out that this was actually an anti-satellite weapon (ASAT) test. (See Part I, Chapter 3, Section 4-2-4, Footnote 27.)
49 It is believed that some of the removed personnel joined the People’s Armed Police.
50 According to the defense white paper “China’s Military Strategy” (May 2015), China identifies “mobile operations” as one of the strategies for enhancing the military capabilities of the Army.
militia and public transportation. Furthermore, the Navy and Air Force reportedly took part in Mission Action 2013, and since 2014, have conducted combined military branch and service exercises under Joint Action. These suggest that China intends to improve joint operational capabilities as well.

See>> Fig. I-2-3-3 (Deployment and Strength of the People’s Liberation Army)
(4) Naval Forces

The naval forces consist of three fleets: North Sea Fleet; East Sea Fleet; and South Sea Fleet. The Chinese Navy has approximately 880 ships (including approximately 60 submarines), with a total displacement of approximately 1.5 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 mass produces the indigenous state-of-the-art Yuan-class submarines, as well as surface combatant ships with improved air defense and anti-ship attack capabilities. It is also suggested that the Navy is developing cruisers equipped with vertical launch systems (VLSs) capable of launching the latest YJ-18 anti-ship cruise missile. In addition, the Navy is increasing the number of large landing ships and supply ships. It commissioned a large hospital ship in October 2008.

With regard to aircraft carriers, China renovated the Varyag, an incomplete Kuznetsov-class aircraft carrier purchased from Ukraine. After trial navigations started in August 2011, the carrier was named “Liaoning” and was commissioned in September 2012. It is thought that even after the commission, China continues trainings of carrier-based aircraft pilots using domestic J-15 carrier-based fighters and 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 area. In late December 2015, the spokesperson of the Ministry of National Defense of China officially admitted the building of a domestic aircraft carrier for the first time, announcing that the aircraft carrier “is being built in Dalian. It has a conventional power plant with a displacement of 50,000 tons” and “will adopt ski-jump takeoff mode.”

In view of these developments concerning the strengthening of the naval forces, China likely aims to build capabilities for conducting operations in more distant waters in addition to near sea defense. It is necessary to continue to monitor the development of the Chinese naval forces.

(5) Air Forces

The Chinese Air Force and Navy have approximately 2,720 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 fighter, and imported from Russia the Su-30 fighter equipped with anti-surface and anti-ship attack capabilities. China also mass produces the J-11B fighter, which is allegedly an imitation of the Su-27 fighter, and the domestic J-10 fighter. China’s domestic J-15 carrier-based fighter thought to be modeled on Russia’s Su-33 carrier-based fighter is also carried on the aircraft carrier Liaoning. In November 2015, China reportedly signed an agreement with a Russian state-run military company to purchase 24 Su-35 fighters, which is considered the newest fourth generation fighter. Additionally, China is developing the J-20 and J-31 fighters, which are said to become next-generation fighters. The Chinese Air Force has H-6 bombers that are thought to carry nuclear weapons as well as cruise missiles, including the state-of-the-art YJ-12 air-to-ship missile. China is...
also making continuous efforts to improve capabilities which are essential for operations of modern air forces by introducing the H-6U tanker and KJ-500 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 enhance its transportation capability. In addition to domestically developing, producing and deploying a variety of aircraft and introducing them from Russia, China is deemed to be domestically developing a variety of unmanned aerial vehicles (UAV), including those capable of long-hour flights at high altitude for reconnaissance and other purposes (high-altitude long endurance [HALE]) and those capable of carrying missiles and other weapons for attack purposes. Some of these are thought to be being produced and deployed.

Judging from the modernization of the 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 further distant from China, and improving long-range transportation capabilities. Further attention needs to be paid to these activities conducted by the Chinese air forces.

(6) Military Use of Space and Cyber Warfare Capabilities

China is said to have developed its space program in the shortest time in the world, and may be utilizing space for military purposes. China is considered to be developing directed-energy weapons and satellite jammers in order to restrict and interfere with the use of space-based assets by adversaries in wartime. In addition, China has interest in cyber space. Some have speculated that China is reinforcing its “A2/AD” capabilities by using cyber attacks to destroy an adversary’s network in the entire region. 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.

(7) Establishment of Joint Operational Posture

In recent years, organizational reform has been under way to improve integrated and combined operations capability among the military services. For example, at the third plenary session of the 18th CCP Central Committee in November 2013, China proposed a government policy to “enhance joint operations capability and reform the command system and organization.” As part of this, in November 2013, China has established the “East China Sea Joint Operational Command Center” allegedly to jointly operate the Navy and Air Force for such purposes as the effective surveillance of the “East China Sea Air Defense Identification Zone.”

60 “The Military Balance 2016” states that at least two KJ-500 Airborne Early Warning and Control systems are operational as of 2015.

61 On January 26, 2013, the Ministry of National Defense of China announced that for the first time it succeeded in a trial flight of the Y-20 large cargo aircraft developed by China. It is believed that since then China has continued to conduct related tests and trial flights. “The Military Balance 2016” notes that five aircraft at most have been included in the flight test program by the fourth quarter of 2015. It was reported that a Y-20 large cargo aircraft was formally deployed to a military force in June 2016.

62 HALE UAVs being developed by China include the Xianglong (Soar Dragon) considered the “Chinese Global Hawk.” The BZK-005 is a UAV that can be used for multiple purposes, such as reconnaissance, communications relay, and signals intelligence. It has been suggested that a UAV of unknown nationality that flew about 200 km north of the Senkaku Islands in September 2013 was the BZK-005. Some media have reported that this aircraft has been deployed to Woody Island of the Paracel Islands. Attack UAVs include the GJ-1 (“Yilong”) and CH-4 (“Caihong”), which are deemed to have taken part in the Peace Mission 2014 counter-terrorism combined exercise held in August 2014. “The Military Balance 2016” states that the GJ-1 is currently being operated by the Air Force. UAVs such as the BZK-005 and SJ-1 were unveiled at the military parade in September 2015.

63 In April 2014, Xi Jinping, CMC Chairman, visited an Air Force organization and referred to establishing an air force that “builds air-space capabilities and conducts offensive and defensive operations.” The defense white paper “China’s Military Strategy” (May 2015) identifies “building air-space capabilities and conducting offensive and defensive operations” as a strategy for enhancing the military capabilities of the Air Force.

64 During his regular press conference on July 31, 2014, the spokesperson of the Ministry of National Defense of China was asked whether the “East China Sea Joint Operational Command Center” had been established, and he responded that “Setting up a joint operational command system is the inevitable requirement of joint operations under信息化ized conditions,” de facto confirming the Center’s establishment.

65 “The Military Balance 2016” notes that at least two KJ-500 Airborne Early Warning and Control systems are operational as of 2015.

66 On January 26, 2013, the Ministry of National Defense of China announced that for the first time it succeeded in a trial flight of the Y-20 large cargo aircraft developed by China. It is believed that since then China has continued to conduct related tests and trial flights. “The Military Balance 2016” notes that five aircraft at most have been included in the flight test program by the fourth quarter of 2015. It was reported that a Y-20 large cargo aircraft was formally deployed to a military force in June 2016.

67 HALE UAVs being developed by China include the Xianglong (Soar Dragon) considered the “Chinese Global Hawk.” The BZK-005 is a UAV that can be used for multiple purposes, such as reconnaissance, communications relay, and signals intelligence. It has been suggested that a UAV of unknown nationality that flew about 200 km north of the Senkaku Islands in September 2013 was the BZK-005. Some media have reported that this aircraft has been deployed to Woody Island of the Paracel Islands. Attack UAVs include the GJ-1 (“Yilong”) and CH-4 (“Caihong”), which are deemed to have taken part in the Peace Mission 2014 counter-terrorism combined exercise held in August 2014. “The Military Balance 2016” states that the GJ-1 is currently being operated by the Air Force. UAVs such as the BZK-005 and SJ-1 were unveiled at the military parade in September 2015.

68 In April 2014, Xi Jinping, CMC Chairman, visited an Air Force organization and referred to establishing an air force that “builds air-space capabilities and conducts offensive and defensive operations.” The defense white paper “China’s Military Strategy” (May 2015) identifies “building air-space capabilities and conducting offensive and defensive operations” as a strategy for enhancing the military capabilities of the Air Force.

69 During his regular press conference on July 31, 2014, the spokesperson of the Ministry of National Defense of China was asked whether the “East China Sea Joint Operational Command Center” had been established, and he responded that “Setting up a joint operational command system is the inevitable requirement of joint operations under informationized conditions,” de facto confirming the Center’s establishment.
also established the “Central Military Commission Joint Operations Command Center” to carry out decision-making at the highest strategic level. In November 2015, President Xi Jinping delivered an address regarding the specific direction of the military reforms, in which he elaborated on creating a sound command structure for joint operations of the CMC and establishing a command structure for joint operations in theaters of operations. In January 2016, the “four general departments” were dismantled, and the CMC introduced a system comprised of multiple sections. In February 2016, military regions were realigned into five new theaters of operations. As such, China may further develop its joint operational posture as military reforms make further progress.

Furthermore, China has recently conducted drills aimed at the development of a joint operational posture, as demonstrated by long-distance mobile exercises which cut across military regions such as Stride and Firepower, as well as the joint exercises conducted among the Army, Navy, Air Force, and other units such as Mission Action 2013 and Joint Action. The above drills are considered to be intended to further facilitate coordination among the different military services as well as the mobilization of assets across theaters. The relevant developments will be a point to watch out for.

Maritime Activities

(1) General Situation

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 rapidly expanded its maritime activities based on its sea and air powers both in qualitative and quantitative ways. In the sea areas and airspace surrounding Japan, Chinese naval vessels have expanded its maritime activities based on its sea and air powers both in qualitative and quantitative ways. In the sea areas and airspace surrounding Japan, Chinese naval vessels and navy and air force aircraft have been observed conducting training exercises, 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 that belong to maritime law enforcement agencies have been observed engaging in monitoring activities for the protection of its maritime rights and interests. Extremely regrettable are such activities by China, which include: intermittent incursions into Japan’s territorial waters by Chinese government vessels; 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 an MSDF destroyer, the flight of Chinese military fighter jets unusually close to an SDF 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 (ADIZ).” China is urged to act on the basis of the principle of the “rule of law.”

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

Regarding the activities of naval forces, the number of Chinese naval surface vessels advancing to the Pacific Ocean has increased in recent years, and such advancements continue to be conducted with high frequency. Since 2008, Chinese naval fleets have transited the sea area between the main island of Okinawa and Miyako Island several times every year. Furthermore, every year since 2012, naval fleets have passed through the Osumi Strait and the sea area between Yonaguni Island and Nakanokami Island near Iriomote Island. In March 2015, naval fleets navigated the sea area between Amami-shima Island and Yokoatejima Island westward. Naval fleets transited the Tsugaru Strait in October 2008 and February 2016 and the Soya Strait in July 2013, December 2014, and August 2015. In this regard, naval fleets are beginning to routinely pass through waters north of Japan. As such, the Chinese naval fleets’ advancements and homing routes to and from 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.

In October 2013, China conducted Maneuver 5, the first joint exercise by its three naval fleets in the western...

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65 Examples of the activities of Chinese naval vessels are: a Chinese nuclear-powered submarine conducted “underwater navigation in the territorial waters of another country” in breach of international law in November 2004; it was confirmed that a total of five Chinese naval vessels, including one Sovremenny-class destroyer, were sailing near the Kashi gas field (Hainan Island in Chinese) in the East China Sea and some of them circled around said gas field in September 2006.

66 Surveillance and other activities at sea used to be conducted by “Maritime Police” (Haijing) of the Ministry of Public Security, “China Maritime Surveillance” (Haijian) of the State Oceanic Administration of the Ministry of Land and Resources, “China Fisheries Law Enforcement Command” (Yuzheng) of the Bureau of Fisheries of the Ministry of Agriculture, “Maritime Safety Administration (Haixun)” of the Ministry of Transport, and the anti-smuggling force of the General Administration of Customs, all of which were under the State Council. In March 2013, China decided to reorganize the four agencies, excluding “Maritime Safety Administration” into the new “State Oceanic Administration” and that the new organization would carry out surveillance and other activities under the name of “China Coast Guard” (Zhongguo Haijing) under the guidance of the Ministry of Public Security. In July of that year, the China Coast Guard was formally launched. It is believed that the State Committee of Border and Coastal Defense, under the guidance of the State Council and the CMC, is coordinating maritime activities by these maritime law-enforcement agencies and the Navy.

67 Concerning the PLA, there is a view that by turning exception into normality through uniform peacetime and wartime force deployment and exceeding traditional activity spaces, China intends to desensitize the alertness of others and make the international community tolerate and accept changes in the situation (Taiwan’s 2009 National Defense Report).

68 The number of advancements into the Pacific Ocean by Chinese Navy combatant vessels since 2008 was as follows: 2 times (2008); 1 time (2009); 3 times (2010); 2 times (2011); 7 times (2012); 11 times (2013); 7 times (2014); and 8 times (2015).
Pacific Ocean. In December 2014, a similar joint exercise involving the three fleets was reportedly conducted.\textsuperscript{69}

In addition, Chinese naval vessels appear to conduct operations in the East China Sea continuously.\textsuperscript{70} Stating its own position regarding the Senkaku Islands,\textsuperscript{71} 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 an MSDF destroyer and is suspected to have directed fire-control radar at a helicopter based on an MSDF destroyer.\textsuperscript{72} Moreover, in June 2016, a Jiangkai I-class frigate of the Chinese Navy entered Japan’s contiguous zone near the Senkaku Islands. This was the first time a Chinese Navy combatant vessel entered Japan’s contiguous zone. In recent years, Chinese Navy intelligence gathering vessels (AGIs) have also been found conducting multiple activities. A Chinese Navy Dongdiao-class AGI repeatedly navigated back and forth outside of the contiguous zone south of the Senkaku Islands in November 2015 and in waters outside of the contiguous zone southeast of the Boso Peninsula in December 2015 and February 2016. In June 2016, the same type of AGI sailed in Japan’s territorial waters near Kuchinoerabu Island and Yakushima Island and then sailed within Japan’s contiguous zone north of Kitadaito Island. Subsequently, the vessel repeatedly conducted east-west passages outside the contiguous zone south of the Senkaku Islands. This was the first navigation in Japanese territorial waters by a Chinese Navy vessel in approximately 12 years. It is of serious concern that recently China has unilaterally escalated activities in waters near Japan, such as activities that are seen as actions based on their own assertions related to the Senkaku Islands and further expansion of its naval vessels’ reach to include the Senkaku Islands.

With regard to activities of Chinese government vessels, in December 2008, China Maritime Surveillance vessels hovered and drifted inside Japan’s territorial waters near the Senkaku Islands – operations which are not permitted under international law. In September 2010, Japan Coast Guard patrol vessels and a Chinese fishing trawler collided in Japan’s territorial sea surrounding the Senkaku Islands. Subsequently, in August 2011 as well as in March and July 2012, “China Maritime Surveillance” vessels and “China Fisheries Law Enforcement Command” vessels intruded into Japan’s aforementioned territorial waters.\textsuperscript{73} As these examples demonstrate, “China Maritime Surveillance” and “China Fisheries Law Enforcement Command” vessels have gradually intensified their activities in Japan’s territorial waters. Such activities increased 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 aforementioned territorial waters simultaneously. The way in which government vessels have carried out operations intended to intrude into territorial waters since October 2013\textsuperscript{74} suggested such operations had been routinized. In this light, an operations manual or other codes may have been developed.

Since December 26, 2015, Chinese government vessels carrying weapons that appear to be cannons\textsuperscript{75} have begun to repeatedly intrude into Japan’s territorial

\begin{itemize}
\item \textsuperscript{69} Some news reports call this exercise “Maneuver 6.” Some of the vessels that participated in this exercise subsequently circled Japan by transiting the Soya and Tsushima Straits.
\item \textsuperscript{70} For example, a China Military Online article (October 21, 2015) reported that in recent years, the average number of days in a year that all major combatants in the East Sea Fleet of the Chinese Navy conducted operations exceeded 150 days.
\item \textsuperscript{71} China makes its own assertion about the Senkaku Islands, which are an inherent part of the territory of Japan. In May 2013, a newspaper of the CCP carried an article which wrote, “It may be time to revisit the unresolved historical issue of the Ryukyu Islands,” and thus could be regarded as one that calls into question that Okinawa is part of Japan. The Chinese government explained that the article was written by researchers in their personal capacity.
\item \textsuperscript{72} See Part I, Chapter 3, Section 3-1 (Trends Related to the “Principle of the Freedom of the High Seas” in the East China Sea and South China Sea).
\item \textsuperscript{73} 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. Similar incidents occurred in May and September 2010.
\item \textsuperscript{74} While with some exceptions, two to three Chinese government vessels often intrude into Japan’s territorial waters two to three times a month from around 10 am for about two hours.
\item \textsuperscript{75} As of the end of June 2016, government vessels that have been confirmed to carry weapons that appear to be cannons are the “China Coast Guard 31239” and “China Coast Guard 31241.” It has been suggested that these Jiangwei I-class frigates belonging to the Chinese Navy were repaired to be handed over to the China Coast Guard. Similarly, it has been suggested that two Luda-class destroyers will be handed over from the Chinese Navy to the China Coast Guard.
\end{itemize}
In FY2015, the number of times that ASDF aircraft scrambled against Chinese aircraft set a record high at 571 times.

See Part I, Chapter 2, Section 3, Footnote 67.

“China Coast Guard 2901” and “China Coast Guard 3901.” These government vessels allegedly carry a 76 mm cannon.

Japan’s territorial waters simultaneously for the first time. China is also building the world’s largest 10,000 t-class patrol vessel, and two vessels have reportedly already carried out sea trials. In this way, China is seen to be steadily strengthening an operational posture intended to use Chinese government vessels to intrude into Japan’s territorial waters.

In October 2012, vessels of the East Sea Fleet of the China Coast Guard conducted joint drills in the East China Sea and advanced near the Japan-China median line. In 2014, the Navy and the China Coast Guard conducted a coordinated drill. Also, the Navy and the Maritime Safety Administration conducted the joint drill Poseidon 2014.

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

In recent years, activities by Chinese Navy and Air Force aircraft, which appear to be gathering information about Japan of some form, have been intensified. The number of scrambles by the ASDF against Chinese aircraft is also increasing dramatically.

With regard to activities of air forces in the airspace above the East China Sea, Chinese aircraft have been diversifying their flight patterns. Multiple H-6 bombers in September 2007 and a Y-8 early warning aircraft in March 2010 flew into Japan’s ADIZ above the East China Sea.
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 same Chinese defense white paper, the phrase “air vigilance and patrols at sea” was added for the first time.

On November 23, 2013, the Chinese government announced that it established the “East China Sea ADIZ” including the Senkaku Islands which China described as if they were a part of China’s “territory,” and that the Chinese Armed Forces would take “defensive emergency measures” in the case where aircraft does not follow the relevant rules set forth by the Chinese Ministry of National Defense. On the same day, a Tu-154 intelligence gathering aircraft and a Y-8 intelligence gathering aircraft respectively flew over the East China Sea. On these, the Chinese Air Force announced that it conducted its first patrol flight since the establishment of the ADIZ. On December 26, 2013, the Chinese Armed Forces announced that it conducted its first patrol flight since the establishment of the ADIZ. On December 26, 2013, the Chinese Armed Forces announced that it conducted its first patrol flight since the establishment of the ADIZ.

In March and April 2011 and in April 2012, Chinese helicopters and other aircraft that appeared to belong to the State Oceanic Administration (SOA) flew close to MSDF 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 MSDF and ASDF that were conducting routine monitoring and surveillance activities in the East China Sea. The Chinese Ministry of National Defense announced that SDF aircraft conducted dangerous acts against Chinese aircraft. However, the operations of SDF aircraft were legitimate in compliance with the international law. There is no truth to the Chinese assertion that SDF aircraft carried out dangerous acts.

With respect to Chinese air forces’ advancement into the Pacific Ocean, ASDF’s scrambling fighters confirmed for the first time that a Y-8 early warning aircraft flew over waters between the main island of Okinawa and Miyako Island to the Pacific Ocean in July 2013. In 2015, similar flights were conducted by a Y-9 intelligence gathering aircraft on two consecutive days in February, by two H-6 bombers in May, by a Y-9 intelligence gathering aircraft, a Y-8 early warning aircraft, and two H-6 bombers (total: four aircraft) on two consecutive days in July, and by four H-6 bombers, a Tu-154 intelligence gathering aircraft, and a Y-8 intelligence gathering aircraft (total: six aircraft) in November, respectively. In late January
2016, a total of two aircraft, namely, a Y-9 intelligence gathering aircraft and a Y-8 early warning aircraft, flew over the Tsushima Strait before conducting operations in the Sea of Japan for the first time. As such, China is further intensifying activities of its aircraft.\textsuperscript{34}

Regarding Japan’s airspace over and around the Senkaku Islands, territorial airspace intrusion by a fixed-wing aircraft of the SOA in December 2012 marked the first such instance by a Chinese aircraft. Subsequently, fixed-wing aircraft of the SOA were frequently observed flying near the airspace up through March 2014.\textsuperscript{35} See>> Fig. I-2-3-5 (Changes in the Number of Scrambles against Chinese Aircraft); Fig. I-2-3-6 (Recent Chinese Activities in Airspace near Japan)

Recently, Chinese PLA aircraft have also been seen flying in the southward direction near the Senkaku Islands. In June 2016, ASDF fighters scrambled against Chinese PLA aircraft that flew southward closer to the Senkaku Islands. The Chinese Ministry of National Defense released an official announcement stating that SDF aircraft conducted provocations against Chinese PLA aircraft.\textsuperscript{36} However, SDF aircraft conduct scrambles in accordance with international law and the Self-Defense Forces Law, and it is not true that SDF aircraft conducted provocations against Chinese PLA aircraft. With stronger interests, attention will need to be paid to activities carried out by Chinese PLA aircraft recently near the Senkaku Islands.

(4) Situation of Activities in the South China Sea

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 and December 2013, a Chinese naval vessel and other vessels approached and intercepted a U.S. Navy vessel navigating in the South China Sea.\textsuperscript{37} In August 2014, a PLA fighter is alleged to have flown abnormally close to and intercepted a U.S. Forces aircraft.\textsuperscript{38} 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

84 On March 30, 2015, the spokesperson of the PLA Air Force announced that Air Force aircraft flew over the Bashi Channel between Taiwan and the Philippines before conducting their first drill in the West Pacific. An announcement was also made that a similar drill would be conducted on August 14 of the same year as well. On May 21, 2015, the same spokesperson announced that for the first time PLA Air Force aircraft flew over a strait between the main island of Okinawa and Miyako Island before conducting a drill in the West Pacific. An announcement was also made that a similar drill would be conducted on November 37 of the year as well.

85 Some reports point out that China is constructing a heliport and radar installations on the Nanji Islands facing the East China Sea.

86 Regarding the scramble by ASDF fighters against Chinese PLA aircraft that flew southward towards the Senkaku Islands on June 17, 2016, the Chinese Ministry of National Defense released the following official announcement: “Chinese fighter jets were approached by two Japanese F-15 fighter jets in high speed. They conducted provocations and used fire-control radars against us. The Chinese PLA responded decisively and took measures such as tactical maneuver. Consequently, the Japanese fighter jets flew away after firing infrared jamming shells.”

87 See Part I, Chapter 3, Section 3-1 (Trends Related to the “Principle of the Freedom of the High Seas” in the East China Sea and South China Sea).

88 See Part I, Chapter 3, Section 3-1 (Trends Related to the “Principle of the Freedom of the High Seas” in the East China Sea and South China Sea).
development activities on the features in these waters, including land reclamation and various infrastructure development on the features.

Since 2014, China has pressed ahead with rapid and large-scale land reclamation works on seven features in the Spratly Islands. China has built military facilities such as batteries and has developed various infrastructures that could be utilized for military purposes, such as runways, hangars, harbors, and radar facilities. In Fiery Cross Reef, a large harbor capable of receiving surface combatants is being built. In January 2016, China declared completion of a 3,000 m-long runway which fighters and bombers can take off from and land on. Despite protests from neighboring countries, China went ahead with aircraft test flights there. In April 2016, a Navy patrol aircraft on patrol over the South China Sea landed at Fiery Cross Reef to evacuate urgent patients. Likewise, in Subi and Mischief Reefs, China is thought to have conducted large-scale reclamations and be building large runways. Building of facilities, such as harbors, helipads, and radars, has also proceeded on the four other features. In the Paracel Islands, China has similarly carried out land reclamations and promoted their use for military purposes. In Woody Island, China has extended the runway since 2013. In October 2015, China deployed J-11 and other fighters, and in February 2016, the deployment of equipment likely to be surface-to-air missiles was confirmed. In recent years, Chinese vessels have allegedly been conducting what are likely to be survey activities in the Scarborough Shoal, where a standoff took place between Chinese and Philippine government ships in April 2012.

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89 The U.S. DoD’s “The Asia-Pacific Maritime Security Strategy” (August 2015) states, “As of June 2015, [China] had reclaimed more than 2,800 acres of land” and “China has now reclaimed 17 times more land in 20 months than the other claimants combined over the past 40 years, accounting for approximately 95% of all reclaimed land in the Spratly Islands.” The U.S. DoD’s “Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China” (May 2016) notes, “China paused its land reclamation effort in the Spratly Islands in late 2015 after adding more than 3,200 acres of land.”

90 The seven features are: Johnson South Reef; Cuarteron Reef; Gaven Reefs; Hughes Reef; Fiery Cross Reef; Mischief Reef; and Subi Reef.

91 According to the outcome documents that the Chinese and U.S. governments released respectively following the China-U.S. summit meeting in September 2015, President Xi Jinping asserted, “Relevant construction activities that China is undertaking in the Spratly Islands do not target or impact any particular country, and China does not intend to pursue militarization.” However, in October 2015, the spokesperson of the Ministry of Foreign Affairs of China denied “militarization,” but stated, “China has a number of necessary military facilities of a limited and purely defensive nature.” Furthermore the Ministry of National Defense announced in April 2016 that Fan Changlong, CMC Vice Chairman, had visited the Spratly Islands.

92 China is believed to have conducted three test flights at Fiery Cross Reef on January 2, 3, and 6 of 2016. In response, the spokesperson of the Ministry of Foreign Affairs of Vietnam expressed strong opposition on January 2, and the Philippines protested in writing on January 8. Additionally, on April 17, 2016, a Chinese Navy patrol aircraft on patrol over the South China Sea evacuated a construction worker at a construction site on the Spratly Islands whose life was thought to be in danger due to disease as well as two other patients, from the airport in Fiery Cross Reef to an airport in Sanya, Hainan.

93 The Center for Strategic and International Studies (CSIS) and the Asia Maritime Transparency Initiative (AMTI) view that the construction of runways is proceeding at a fast pace, describing that the runway presumably being built at Subi Reef is 3,250 m long and 55 m wide, and the runway presumably being built at Mischief Reef is 2,644 m long and 55 m wide.

94 Chinese government ships have begun to drive away Philippine law enforcement vessels and fishing boats approaching the Scarborough Shoal since a standoff took place between Chinese and Philippine government ships in April 2012. Subsequently, Philippine ships are said to be unable to approach the Scarborough Shoal.
A number of countries are conducting development work on features of the Spratly Islands which stretch across central to southern South China Sea. This column focuses on rapid and large-scale land reclamation and infrastructure construction on the features that China has been ahead with in recent years and examines its impacts on security.

First of all, if harbors on the Spratly Islands China has been building secure its ability to deploy, replenish, and maintain PLA and government vessels, it will be able to continuously station and deploy them in all areas of the South China Sea. This could significantly improve its ability to conduct surveillance as well as operations in the sea.

Secondly, building of a runway on Fiery Cross Reef will enable China to forward deploy and replenish a variety of air assets. Furthermore, installation of radar facilities on the Spratly Islands will considerably improve China’s surveillance capability in the South China Sea. These circumstances may improve its power projection capability throughout the area, allow China to acquire air superiority effortlessly, and by extension, increase its “A2/AD” capabilities. In addition, China is building runways on Subi and Mischief Reefs as well. When complete, they could further enhance China’s presence in the airspace of the area, and then China may declare a “South China Sea Air Defense Identification Zone” in the future.

Upholding the “principle of the freedom of the high seas” and ensuring security of sea lanes in the South China Sea are of critical concern to Japan. Should China proceed with land reclamation work on the features and utilize them for military purposes, there may be negative security consequences including further heightening of tension with neighboring countries as well as increasing risks to stable use of sea lanes.

Issues surrounding the South China Sea are of concern for the entire international community due to their direct implications for peace and stability of the Asia-Pacific region. In this regard, it is necessary to keep monitoring the situation in the sea, including activities of China there.

In response to the growing international concerns over the development on the features, China asserts that a number of ASEAN member states including the Philippines and Vietnam are illegitimately occupying features of the Spratly Islands and carrying out large-scale construction work to build fixed facilities such as airstrips. However, China’s development work on the features is of a scale incomparable to the activities carried out by other countries and is being conducted at a rapid pace.

In any case, the issues over the South China Sea are of concern to the entire international community due to their direct implications for peace and security of the Asia-Pacific region. Countries concerned including China are urged to refrain from unilateral actions that heighten tension and act on the basis of the principle of the “rule of law.”

95 On March 17, 2016, with regard to China’s activities near the Scarborough Shoal, U.S. Chief of Naval Operation John Richardson stated, “I think we see some surface ship activity and those sort of things, survey type of activity, going on. That’s an area of concern...a next possible area of reclamation.” According to media reports, it has also been suggested that, “China will start reclamation at the Scarborough Shoal in the South China Sea later this year and may add an airstrip to extend its air force’s reach over the contested waters.”

96 As regards U.S. concerns, for example, on November 7, 2015, U.S. Secretary of Defense Carter stated at the Reagan Defense Forum that, “The United States, joins virtually everyone else in the region, in being deeply concerned about the pace and scope of [China’s] land reclamation in the South China Sea, the prospect of further militarization, as well as the potential for these activities to increase the risk of miscalculation or conflict among claimant states.” On November 21, 2015, at the Halifax International Security Forum, Commander Harry Harris of the U.S. Pacific Command noted that “Tensions in the region were significantly heightened” because of China’s development work on the features in the South China Sea, and that it “raised concerns” among nations including the United States. In June 2016, Secretary Carter stated at the Asia Security Summit that, “China’s actions in the South China Sea are isolating it...if these actions continue, China could end up erecting a Great Wall of self-isolation.” As regards the concerns of the international community, for example, on May 26, 2015, President of the European Council Donald Tusk criticized China over its land reclamation on the features in the South China Sea, stating that “construction activities on the sea” “will make it much more difficult to solve the problem in the region.” At the G7 Summit held in Elmau, Germany on June 7-8, 2015, a Leaders’ Declaration was released stating that, “we strongly oppose...any unilateral actions that seek to change the status quo, such as large scale land reclamation.” Furthermore, the Chairman’s Statement of the ASEAN Summit adopted on November 23, 2015 stated, “We shared the concerns expressed by some Leaders” on “the increased presence of military assets” and “further militarisation of outposts” in the South China Sea. The Chairman’s Statement of the ASEAN Foreign Ministers’ Retreat announced on February 27, 2016 expressed that the ministers were “seriously concerned” over the situation in the South China Sea and affirmed the “importance of non-militarisation” in the region. Additionally, the G7 Foreign Ministers’ Statement on Maritime Security released on April 11, 2016 included the following text: “We are concerned about the situation in the...South China Sea” and “We express our strong opposition to any intimidating, coercive or provocative unilateral actions that could alter the status quo and increase tensions.” The G7 Ise-Shima Leaders’ Declaration included the following statements regarding maritime security: “We reaffirm the importance of states making and clarifying their claims based on international law,” “seeking to settle disputes by peaceful means including through juridical procedures including arbitration;” and “We are concerned about the situation in the East and South China Seas.”

97 Remark by the spokesperson of the Ministry of Foreign Affairs of China on April 25, 2015. According to CSIS/AMTI information from May 2016, Vietnam reclaimed over 120 acres of land on a total of ten features in the last two years.

98 See Part I, Chapter 2, Section 3, Footnote 90.
(5) Situation of Activities in the “Far Seas”

The Chinese Navy is thought to be shifting its naval forces towards “offshore waters defense and open seas protection,” and is steadily increasing its capabilities to conduct operations in more distant seas such as the Indian Ocean in recent years. For example, since December 2008, Chinese Navy vessels sail in the Indian Ocean to the coast of Somalia and 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 those off the coast of the Indian Ocean. Furthermore, the Chinese Navy sent its vessels through Sunda Strait to the eastern Indian Ocean as part of an exercise from January to February 2014. Outside of the Indian Ocean, in September 2015, five Chinese vessels sailed in the high seas in the Bering Sea and entered U.S. territorial waters near the Aleutian Islands. Activities of Chinese Navy submarines are also beginning to be spotted continuously in the Indian Ocean. From the end of 2013 to the beginning of 2014, a Chinese Navy’s Shang-class nuclear submarine reportedly conducted operations in the Indian Ocean. From September to October 2014, a Song-class submarine conducted operations in the Indian Ocean and called at a port in Colombo, Sri Lanka, twice in the same year. This marked the first time that a Chinese submarine entered port overseas. In May 2015, a Yuan-class submarine reportedly called at a port in Karachi, Pakistan.

Additionally, China has been securing overseas bases of activities such as harbors, which would help support its far seas operations. For example, it has been pointed out from previously that a PLA base would be built in Djibouti located in a strategic position in East Africa facing the Gulf of Aden. In December 2015, Mahamoud Ali Youssouf, Minister of Foreign Affairs of Djibouti, mentioned at the Forum on China-Africa Cooperation that, “The PLA base will be established in a section of the new Doraleh port under construction,” following which, in January 2016, the spokesperson of the Ministry of Foreign Affairs of China announced that China and Djibouti held consultations and reached agreement regarding the building of “security facilities.” Some indicate that under the “String of Pearls” strategy, China supports Indian Ocean countries to build port infrastructure to secure places for making port calls and strengthen the defense of China’s sea lanes.

(6) Objectives of Maritime Activities

Taking into consideration such factors as the situation of the development of Chinese naval and air forces, 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 is to intercept operations by adversaries 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 is to develop military capabilities to deter and prevent Taiwan’s independence. China maintains that it will not allow any foreign intervention in solving the Taiwan issue and realizing the unification of China. In trying to prevent foreign intervention into Taiwan surrounded by the sea in all directions through China’s use of force, China needs to enhance its military operational capabilities at sea and airspace.

The third is to weaken the control of other countries over the islands to which China claims territorial sovereignty and to strengthen the claim through various surveillance activities and use of force at sea and in airspace surrounding the islands.

The fourth 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 and South China Seas. It has been confirmed that in addition to the existing 4 platforms, China is building 12 new offshore platforms on the
Chinese side of the Japan-China median line of the East China Sea since June 2013. In May 2016, superstructures were installed on 2 of the 12 platforms at which only a foundation had been installed. Japan has repeatedly lodged protests against such unilateral development by China and demanded the termination of such work.\(^{106}\)

The fifth 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 past China’s near seas to the “far seas.”

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 sea areas. Therefore, more attention needs to be paid to activities such as operations of naval vessels and Navy and Air Force aircraft, various surveillance operations near Japan, developments of facilities that serve as bases for these activities,\(^{107}\) and evolution of China’s interpretation regarding the nature and scope of rights in China’s exclusive economic zones (EEZs) and other areas.\(^{108}\)

Meanwhile, in recent years, China has shown interest in taking steps to avoid and prevent unexpected situations at sea. For example, in April 2014, China, together with other countries such as Japan and the United States, agreed to the Code for Unplanned Encounters at Sea (CUES), which sets forth the standards of behavior in the case that the naval vessels or aircraft of the Western Pacific Naval Symposium (WPNS) member states have unexpected encounters. In September 2014, Japanese and Chinese defense authorities agreed in principle to resume consultations to swiftly begin the implementation of the Maritime and Air Communication Mechanism, which China had not agreed to since September 2012. Following this, the fourth Joint Working Group meeting was held in January 2015, and the fifth Joint Working Group meeting was held in June 2015.\(^{109}\) At the Japan-China Defense Ministerial Meeting held in Malaysia in November 2015, the two sides confirmed that they would aim to swiftly begin the implementation of the Mechanism.\(^{110}\) Additionally, in November 2014, President Obama and President Xi Jinping announced that they agreed on two confidence-building measures\(^{111}\) in order to lower the risk of unintended encounters between the United States and China, and in September 2015, announced that they agreed on additional annexes.\(^{112}\)

### 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 has actively dispatched 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

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\(^{106}\) 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 Kashik gas field (Taiwanese in Chinese) and elsewhere. Meanwhile, China’s SOA announced that the “Haiyangshiyou 981” rig succeeded in its first drilling in the South China Sea in May 2012.

\(^{107}\) China is reportedly 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 carrier.

\(^{108}\) 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 U.N. 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.

\(^{109}\) Since 2008, Japanese and Chinese defense authorities have conducted three rounds of consultations. In June 2012, the two sides agreed to hold regular meetings, set up a hotline, and establish a “maritime and air communication mechanism” to allow for direct communication between vessels and aircraft. The purpose was to deepen mutual understanding and mutual trust, strengthen defense cooperation, avoid unexpected incidents, and prevent unexpected situations at sea and airspace from developing into military confrontations or political issues. At the fourth Joint Working Group meeting, the two sides agreed to change the name of the mechanism to “Maritime and Air Communication Mechanism” to clarify that aircraft are included. At the fifth Joint Working Group meeting, the two sides agreed to accelerate the related preparatory work to begin the implementation of the Mechanism.

\(^{110}\) This was the first Japan-China Defense Ministerial Meeting in four years and five months. At the meeting, Minister of Defense Nakatani looked forward to developing a good environment for enhancing the bilateral relations through collaboration between defense authorities and promotion of defense exchanges. In addition, the Minister stated his views regarding the issues between Japan and China and held a candid exchange of views. The two ministers affirmed the importance of deepening Japan-China defense exchanges to strengthen their relations, including swiftly beginning the implementation of the Maritime and Air Communication Mechanism between their defense authorities.

\(^{111}\) The first measure concerns mutual notification of military activities, and the second measure concerns rules of behavior to avoid incidents at sea and in airspace.

\(^{112}\) Rules of behavior for avoiding encounters in flight. They were added to the rules of behavior for avoiding encounters at sea and in airspace agreed upon in November 2014.
international community.

China vows to consistently support and actively participate in U.N. PKOs. According to the Ministry of National Defense of China, it has sent more than 351,000 military personnel to them. According to the U.N., as of late April 2016, China has contributed a total of 3,042 troop personnel, police officers, and military observers to U.N. PKOs, including UNMISS, and has significantly increased its share of the PKO budget. In this manner, China has actively made personnel and financial contributions and has a growing presence in U.N. PKO. It is deemed that partly underlying China’s proactive attitude towards U.N. PKOs is China’s wish to strengthen its relations with the regions where PKOs are conducted, particular with African nations, by way of these activities.

Since December 2008, the Chinese Navy has conducted its first mission in distant waters, dispatching vessels to the coast of Somalia and the Gulf of Aden in order to escort Chinese and other ships. The Chinese Navy is hence improving its capacity to continuously execute naval operations in more distant waters, demonstrating that China is placing a greater emphasis on protecting its sea lanes of transportation. China has reached an agreement with Djibouti, a country facing the Gulf of Aden, to build facilities there for providing logistics support to its military forces. China also supports the construction of port infrastructure in Indian Ocean countries. In this regard, the Chinese Navy could further build up its capabilities to conduct operations in the Indian Ocean and other distant waters.

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 Navy vessel and Air Force transportation aircraft to Libya. This is the military’s first participation 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. From March to September 2014, China dispatched a Navy vessel, Air Force transport aircraft, among other assets for the search of the Malaysian airliner that went missing in March 2014. In December 2014, a Chinese Navy vessel helped supply water in Malé, the capital city of the Maldives. In response to the Ebola virus disease outbreak in West Africa, China provided assistance to Sierra Leone and Liberia centered on medical assistance, including the dispatch of units to help fight Ebola. From March to April 2015, based on the worsening situation in Yemen, the Chinese Navy’s counter-piracy forces docked at the ports of Aden, Al Hudaydah, and elsewhere for the evacuation of Chinese nationals and foreign nationals, including one Japanese national, living in Yemen. China’s humanitarian assistance and disaster relief activities have received international praise. It has been pointed out, however, that through such activities, China aims to build a pacifist and humanitarian image of its military forces and demonstrate, both domestically and internationally, its intent to place priority on military operations other than war. It is also suggested that China hopes to test its ability to project its military power to distant locations.

**Education and Training**

In recent years, the PLA has conducted practical exercises including large-scale exercises such as joint exercises of the Army, Navy, and Air Force, confrontation exercises, landing exercises, and exercises that cut across military regions, as well as night-time exercises and joint exercises with other countries in order to strengthen its operational capabilities. The goal of “being able to fight and winning battles” was repeatedly mentioned in statements by General Secretary Xi Jinping as well as in the military training instructions given by the general staff. This is construed 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. On the other hand, in recent years, a variety of issues have been raised in relation to benefits, including remuneration, the personnel development system, and the treatment of veterans.

China has been developing a mobilization system to make 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.

China outlined the promotion of “rule of law” at the fourth plenary session of the 18th CCP Central Committee in 2014 and is proceeding to develop various related laws. In November 2014, China revised the existing National Security Law and enacted the Anti-Spy Law to strengthen the domestic espionage prevention mechanisms, and in July of the same year, put the law into effect. Following this, in July 2015, a new National Security Law was enacted that covers not only security from external threats, but a comprehensive range of national security areas including stability, security, and development. In December 2015, China passed the Anti-Terrorism Law, which will strengthen state control, and this law entered into force on January 1, 2016. Attention will be paid to how the security-related legislation will be implemented.

### 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 actively carries out R&D of new equipment. China’s national defense industry sector appears to be making advances due to the improvement of private industry infrastructures accompanying economic growth, use of dual technologies, the absorption of foreign technologies, as well as its own efforts. The sector serves 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. Under the State Administration of Science, Technology and Industry for National Defense (SASTIND) of the Ministry of Industry and Information Technology, a department of the State Council, China has formed ten corporations to develop and produce nuclear weapons, missiles, rockets, aircraft, vessels, and other conventional weapons. In doing so, China promotes, in particular, two-way 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. As a result, 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. China is thus thought to have interest in absorbing foreign technologies through dual-use industries.

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117 The report “China’s Incomplete Military Transformation” (February 2015) by the U.S.-China Economic and Security Review Commission and the RAND Corporation identifies the weaknesses of the PLA as the following: (1) organizational structure (e.g., party-military relations); (2) organizational culture (e.g., corruption); (3) force structure (size of the PLA, recruitment system, veteran’s benefits); (4) command structure (e.g., military regions); and (5) human capital (e.g., decline in the quality and mindset of new soldiers stemming from the one-child policy, etc.).

118 The U.S. DoD’s “Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China” (May 2015) states that China’s advanced technology acquisition strategy continues to rely on the acquisition of advanced and Western dual-use technology, components, equipment, and know-how.
3 Relations with Other Countries

General Situation

China, particularly over maritime issues where its interests conflict with others’, continues to act in an assertive manner, including attempting to change the status quo by coercion. China is poised to fulfill its unilateral demands without compromise, which has included making steady efforts to turn this status quo into a fait accompli. In addition, China has acted to create its unique international order. In May 2014, President Xi Jinping criticized military alliances and proposed “the security of Asia by the people of Asia” at the CICA. Furthermore, China has proposed to build a “New Model of Major-Country Relations” with the United States, and calls on the United States to respect China’s “core interests.” Some have speculated that through this concept, China attempts to have the United States accept the partitioning of U.S. and Chinese interests in the Asia-Pacific. 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 dynamic 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. At the same time, the objectives of China’s promotion of military exchanges are thought to 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. 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. Moreover, China has set forth the “One Belt, One Road” concept as its foreign policy. In the international finance domain, China plays a leading role in the establishment of the New Development Bank (BRICS Development Bank) and AIIB.

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 would 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.

Former President Ma Ying-jeou (Kuomintang) of Taiwan advocated a policy of pursuing Taiwanese economic development by expanding economic exchanges with China and maintaining the status quo rather than gaining independence. As a result, the bilateral relationship deepened primarily along the economic realm, which included the entry into force of the Economic Cooperation Framework Agreement (ECFA). 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 in Nanjing. In November 2015, President Xi Jinping and President Ma Ying-jeou held the first China-Taiwan summit meeting since the two have split. Nevertheless, Tsai Ing-wen (Democratic Progressive Party) won a landslide victory over Zhu Lilun (Kuomintang) in the presidential election in January 2016. Furthermore, DPP won a sweeping victory in the Legislative Yuan elections held on the same day. The inauguration of the DPP

119 “New Model of Major-Country Relations” dates back to 2012, when then Vice President Xi Jinping visited the United States and utilized the term during his talks with President Obama. China explains that the concept is based on: (1) no conflict, no-confrontation; (2) mutual respect; and (3) win-win cooperation.

120 According to an announcement by China’s National Development and Reform Commission, Ministry of Foreign Affairs, and Ministry of Commerce (March 2015), the “One Belt, One Road” concept is a Chinese initiative designed to establish a contemporary silk road, and is a collective term for the “Silk Road Economic Belt” (“One Belt”) and the “21st Century Maritime Silk Road” (“One Road”) that President Xi Jinping announced in succession from September to October 2013. The priority areas are: (1) policy coordination; (2) facilities connectivity; (3) unimpeded trade; (4) financial integration; and (5) people-to-people bond.

121 The law stipulates, “[n] the event that the ‘Taiwan independence’ secessionist forces should act under any name or by any means to cause the fact of Taiwan’s secession from China, or that major incidents entailing Taiwan’s secession from China should occur, or that possibilities for a peaceful reunification should be completely exhausted, the state shall employ non-peaceful means and other necessary measures to protect China’s sovereignty and territorial integrity.”
government led by new President Tsai Ing-wen in May 2016 may have implications on China-Taiwan relations. On the security front, while China urges that the two 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 the developments related to future China-Taiwan relations, including the trends of political dialogues on military and other affairs.

### 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 states that it welcomes the rise of a stable, peaceful, and prosperous China, and that it will continue to further deepen cooperative relations between the two countries. At the same time, the United States calls on China to uphold international rules and norms on global issues, including maritime security, international trade, and human rights, and states that it would continue to closely monitor China’s military modernization and expanding presence in Asia. Furthermore, the United States sees China as one of the “revisionist states” that are challenging international norms, and perceives that it poses serious security concerns. Conversely, China seeks to establish what it calls a “New Model of Major-Country Relations” based on mutual respect and “win-win” cooperation. However, the United States and China have not necessarily reached a consensus on what this relationship exactly entails.

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). With regard to the issues over the South China Sea, the United States is concerned about such dimensions as obstruction to the freedom of navigation in maritime transport routes, restrictions on the activities of U.S. Forces, and the worsening security situation in the entire region. The United States has requested China to comply with international norms, and has repeatedly criticized China’s unilateral and assertive actions. The United States implements the Freedom of Navigation Operation in the South China Sea to counteract excessive claims to maritime interests by China and other countries.

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 EEZs, 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

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122 For China’s stance, see the remarks made by then CCP General Secretary Hu Jintao at the discussion on December 31, 2008, commemorating the 30th anniversary of the announcement of the Message to Compatriots in Taiwan. For Taiwan’s stance, see the QDR released by the Ministry of National Defense of Taiwan on March 13, 2013.
123 Taiwanese authority vessels intruded into Japan’s territorial waters near the Senkaku Islands three times in 2012.
126 The United States is cautious on the concept of the “(New Model of) Major-Country Relations” that describes the United States and China as having an “equal” and “special” relationship. The United States has shown intent not to utilize the term “core interests” and align itself with China’s unilateral assertions.
127 In April 2014, President Obama became the first U.S. President in history to clearly state that Article 5 of the Japan-U.S. Security Treaty applied to the Senkaku Islands.
128 See Part I, Chapter 2, Section 3, Footnote 91.
130 According to remarks by then CMC Vice Chairman Xu Caihou in a meeting with then U.S. Secretary of Defense Robert Gates (October 2009). Then Deputy Chief of the PLA General Staff Department Ma Xiaolian 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 EEZs constituted key obstacles to developing stable military-to-military ties.
countries. For example, China notified suspensions of the major military exchanges with the United States when the U.S. DoD notified Congress of possible arms sales to Taiwan in October 2008 and January 2010. On the other hand, the United States asserts that U.S.-China relations must be undergirded by a process of enhancing confidence and reducing misunderstanding. 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 Dialogue, and these dialogues have been held annually. In addition, in November 2014 and September 2015, it was announced that an agreement was reached on confidence-building measures aimed at lowering the risk of unintended encounters between the United States and China.

Relations with Russia

Ever since the China-Soviet confrontation ended in 1989, China and Russia have placed importance on their bilateral relationship. They have emphasized the deepening of their “strategic partnership” since its establishment in the mid-1990s. In 2001, the China-Russia Treaty of Good-Neighborliness and Friendly Cooperation was concluded. In 2004, the long-standing issue of border demarcation between the two countries came to a settlement. The two countries have a common view on promoting the multipolarization of the world and the establishment of a new international order, and have further deepened their relations.

On the military front, since the 1990s, China has purchased modern weapons from Russia, including fighters, destroyers, and submarines. Russia is currently the largest supplier of weapons to China. Meanwhile, their trade amounts are said to be declining in recent years due to the advancement of indigenous weapon production in China. However, it is suggested that China has shown strong interest in continuing to import Russia’s advanced equipment. For example, in November 2015, China reportedly signed an agreement with a Russian state-run military company to purchase 24 Su-35 fighters, which are considered 4.5-generation fighters. It is also suggested that an agreement was reached between China and Russia regarding the import of the S-400 surface-to-air missile system. At the same time, it is 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 of differentiating the performance of the weapons it exports. It is also suggested that Russia has concerns about competing with China in arms exports. China and Ukraine have deep ties in the field of arms procurement, as indicated by China’s purchase of the Ukrainian unfinished Kuznetsov-class aircraft carrier Varyag, which became the basis of the aircraft carrier Liaoning. In this regard, attention will also be paid to the situation in Ukraine.

Military exchanges between China and Russia take place in such forms as routine mutual visits by senior military officers and joint exercises. For example, the

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131 When the U.S. DoD notified Congress of possible arms sales to Taiwan in December 2015, while China expressed strong opposition, no major military exchanges between China and the United States were cancelled.

132 At the eighth U.S.-China Strategic and Economic Dialogue held in June 2016, talks took place regarding topics such as the issues of the South China Sea, North Korea’s nuclear development, investment agreement, and excessive production of steel.

133 See Part 1, Chapter 2, Section 3-2-5(6).

134 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.

135 According to SIPRI, Russia accounts for 59% of China’s arms exports from 2011 to 2015.

136 It is suggested that China is plagiarizing, copying, and reverse-engineering military science technologies, including redesigning its own J-11B fighter based on the Russian-made Su-27 fighter. Feeling strong discontent and casting doubts over China, it is suggested that Russia is cautious about supplying state-of-the-art equipment to China, such as the Su-35 fighter and the S-400 surface-to-air missile. For example, Russia has allegedly requested that the agreement regarding the supply of Su-35 fighters requires the payment of a vast amount of compensation if China copies and produces the fighter. It has also been noted that Russia may supply only the S-400 missiles with relatively short ranges.
two countries have held the large-scale naval combined exercise Joint Sea every since 2012. These exchanges will likely enable China to not only deepen mutual understanding and confidence-building between their militaries, but also learn about the operation methods of Russian-made weapons and the operational doctrine of the Russian Armed Forces. Furthermore, China holds the counter-terrorism combined exercise Peace Mission among China and Russia or among the member countries of the Shanghai Cooperation Organization (SCO) that includes China and Russia. While counter-terrorism is the purpose of these exercises, they have dimensions of practical military exercises. For example, fighters and attack UAVs participated in Peace Mission 2014 conducted in August 2014. With the leaders and military forces of both countries participating in their respective commemorative events for the 70th anniversary of war victories in 2015, the two countries continue to enjoy good military relations.

3 Relations with Other Countries

(1) Relations with Southeast Asian Countries

As for its relations with countries in Southeast Asia, China has continuously developed 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 point out that this close relationship is associated with Myanmar’s location which provides China the shortest access to the Indian Ocean.

Meanwhile, some ASEAN countries have shown alarm over China’s advancements in the South China Sea. For example, China’s drilling in the oil and gas fields in the Paracel Islands in May 2014 has escalated tension between China and Vietnam. In addition, the Philippines has instituted arbitral proceedings against China regarding their disputes over the South China Sea, including Scarborough Shoal and Second Thomas Shoal, in accordance with UNCLOS. In July 2016, a final ruling was rendered in which nearly all of the Philippines’ submissions were ruled in favor of the Philippines. China has said it will not accept the ruling, and attention needs to be paid to forthcoming developments.

China is 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 deepened its economic and cultural cooperation with ASEAN member states through diplomatic forums, more recently, it has proactively advanced cooperation in the area of national security by enhancing exchanges of military personnel such as mutual visits of their senior military officials 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. It has ethnic minorities settled in the areas straddling borders, and there are lively exchanges between the people of those countries. Therefore, China is deeply concerned about the political stability and security situations in Central Asian states such as terrorism by Islamic extremists. Such concerns of China appear to be reflected in China’s engagement in SCO, which was established in June 2001. Moreover, China is strongly interested in the abundant energy and natural resources of Central Asia, with a view to diversifying its supply source and procurement methods of these resources. China promotes 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.

137 The Joint Sea exercise was held in April 2012, July 2013, May 2014, and May and August 2015 in the Yellow Sea, the Sea of Japan off the coast of Vladivostok, northern East China Sea, the Mediterranean Sea, and the Peter the Great Gulf, respectively. It is suggested that Joint Sea in 2016 will be held in the South China Sea.

138 The Peace Mission exercise was held among China and Russia in August 2005, July 2009, and July to August 2013, and among the SCO member countries including China and Russia in August 2007, September 2010, June 2012, and August 2014.

139 President Xi Jinping attended the commemorative event for the 70th anniversary of victory day held in Moscow in May 2015, and the PLA participated in the military parade. President Putin attended the “commemorative event for the 70th anniversary of the victory of the Chinese people’s war of resistance against Japanese aggression” held in Beijing in September 2015, and the Russian Armed Forces participated in the military parade.

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

141 See Part I, Chapter 2, Section 6-4, Footnote 52.
(3) Relations with South Asian Countries

China has traditionally maintained a particularly close relationship with Pakistan, and mutual visits by their leaders take place frequently. Their cooperation in the military sector, including exporting weapons and transferring military technology, is also considered to be 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, partly because of the geopolitical features of Pakistan which faces the Indian Ocean.

China and India have undemarcated areas, and it is deemed that “problems” over this area have arisen between the two countries even in recent years. On the other hand, China has recently striven to improve its relationship with India, while also paying consideration to maintaining balance with Pakistan. Identifying China’s relationship with India as a strategic partnership, the leaders of the two countries actively conduct mutual visits. 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.

In recent years, China has also been deepening its relations with Sri Lanka. China constructed a deep sea port in Hambantota. In addition, the Chinese and Sri Lankan governments are jointly carrying out a port city development project in Sri Lanka’s major city of Colombo. Initially after taking office, President Maithripala Sirisena, who had campaigned to shift from a diplomacy oriented towards China to a diplomacy oriented towards all countries and won the election in January 2015, suspended infrastructure development projects financed by China. Subsequently, however, it has been confirmed that Sri Lanka is moving to resume these projects. Furthermore, it has been suggested that Sri Lanka is considering withdrawing its policy to ban Chinese submarines from making port calls as the President had initially announced.

Additionally, China is deepening its relations with Bangladesh, such as by developing the harbor in Chittagong where a naval base is located and exporting arms. With regard to military exchanges, China has conducted a variety of joint exercises with Pakistan and India since 2003, including joint naval search and rescue exercises and counter-terrorism 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 AIP 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, the weapons and military technologies of EU countries would transfer to China and 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 the lifting of 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 and 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 providing active assistance for 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 state leaders and senior military officials but also arms exports and exchanges between military forces are actively conducted. Underlying these moves could be China’s aim to ensure a stable
supply of energy and natural resources and to secure overseas hubs in the future. China has strengthened its engagement in the region, actively sending personnel to U.N. PKO missions in Africa and holding the Forum on China-Africa Cooperation (FOCAC) Summit in Africa for the first time in December 2015.

As regards China-Australia relations, a Chinese company’s agreement with the Northern Territory government of Australia to lease Darwin Port has raised debates over security. 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 continuous economic assistance has also been implemented in other islands. Furthermore, military exchanges are being promoted with Fiji and Tonga.

China has striven to further deepen its relations with Central and South American countries. Chinese senior military officials have continuously visited countries, such as Argentina and Brazil. In 2011, the Chinese Navy’s hospital ship conducted a medical service mission in this region. In January 2015, China and the Community of Latin American and Caribbean States (CELAC) held their first ministerial meeting.

### International Transfer of Weapons

China’s arms export total has surpassed its arms import total since 2010. China has expanded provision of weapons such as small arms, tanks, and aircraft to developing countries in Asia, Africa, and other areas. Specifically, it is reported that the main recipients are Pakistan, Bangladesh, and Myanmar, while weapons are also being exported to African countries such as Algeria, Nigeria, Sudan, Tanzania, Ghana, and Kenya, to Central and South American countries including Venezuela, and to Middle Eastern countries such as Iraq and Iran. Some experts claim that China transfers weapons in order to strengthen its strategic relationships with 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 paid to whether China will increase the transparency of international weapons transfer in response to the concerns of the international community.

### Relations with China

Under President Ma Ying-jeou, based on the basic policy of “no unification, no independence, and no use of force,” Taiwan has made clear that it would not advocate independence and has adopted a collaborative stance towards China. In particular, Taiwan and China have deepened their economic relations.

However, from March to April 2014, students against the approval of the Cross-Strait Service Trade Agreement staged the Sunflower Student Movement and occupied the Legislative Yuan. Amid rising dissatisfaction with the government, the ruling party Kuomintang suffered a crushing defeat to the Democratic Progressive Party in the nine-in-one local elections in November 2014.

Against this backdrop, in November 2015, President Ma Ying-jeou and President Xi Jinping held the first Taiwan-China summit meeting since Taiwan and China split. Both leaders reaffirmed the “one-China” principle and agreed to establish a ministerial-level hotline. The Taiwanese people had a generally positive response to the meeting, according to a public opinion poll conducted by a Taiwanese media company.

Nevertheless, the meeting did not increase support for the ruling Kuomintang party. In the presidential election...
In January 2016, Tsai Ing-wen, Chairperson of the Democratic Progressive Party (DPP), won a landslide victory over Zhu Lilun of Kuomintang and was elected the new President. In the Legislative Yuan elections held on the same day, whereas Kuomintang took no more than 35 seats, DPP won 68 seats, gaining more than a majority of the seats, to clinch a victory.

With regard to Taiwan-China relations, new President Tsai Ing-wen, who took office on May 20, adopts the position that Taiwan will “work to maintain peace and stability in cross-Strait relations.” However, she has not outlined a clear stance regarding the “1992 Consensus,” which positions China as the political foundation of cross-Strait relations. Attention will paid to how Taiwan-China relations evolve under the new administration led by President Tsai Ing-wen.

Military Balance between China and Taiwan

While China has continued to increase its defense budget by a significant margin, Taiwan’s defense budget has remained mostly unchanged for nearly 20 years. As of 2015, China’s announced defense budget was roughly 14 times larger than Taiwan’s defense budget.

While the PLA proceeds to enhance its missile, naval, and air forces, the Taiwanese military still struggles to modernize its equipment. The U.S. DoD has notified Congress of possible arms sales to Taiwan based on the Taiwan Relations Act. Taiwan wishes to purchase the F-16C/D fighter, conventional-powered submarine, and other arms from the United States, and continued attention needs to be paid to related developments. Taiwan also promotes the independent development of military equipment. Tien Kung II surface-to-air missiles, Hsiung Feng II anti-ship missiles, and Hsiung Feng IIE surface-to-surface cruise missiles with long-range attack capabilities are deployed. Additionally, Taiwan is thought to be developing the Tien Kung III surface-to-air missile in order to acquire anti-ballistic missile capability. Furthermore, in order to counter large vessels including aircraft carriers, Taiwan is moving to induct a new model of indigenous stealth high-speed missile ships mounted with Hsiung Feng III supersonic anti-ship missiles.

The military capabilities of China and Taiwan are generally characterized as follows:

154 Some say in 1992, the Taiwanese and Chinese liaison institutions for cross-Strait exchanges reached a common recognition affirming the “one-China” principle.
155 On May 20, 2016, new President Tsai Ing-wen stated in her inaugural address: “In 1992, the two institutions representing each side across the Strait (SEF & ARATS), through communication and negotiations, arrived at various joint acknowledgements and understandings. It was done in a spirit of mutual understanding and a political attitude of seeking common ground while setting aside differences. I respect this historical fact.”
156 This figure was obtained by comparing China’s announced FY2015 defense budget of approximately 889.6 billion yuan and Taiwan’s announced FY2015 defense budget of approximately 312.8 Taiwan dollars by converting them into U.S. dollars using the exchange rate for FY2015 released by the Central Bank of Taiwan (US$1 = 6.2264 yuan = 31.898 Taiwan dollars). China’s actual defense budget is reportedly larger than the amount announced, and therefore, the actual difference in the defense budgets of China and Taiwan could be greater.
157 Recently, the U.S. DoD notified Congress of possible sales to Taiwan of PAC-3 missiles, UH-60 helicopters, Osprey-class mine hunters, and other assets in January 2010, possible arms sales including equipment necessary to upgrade F-16A/B fighter aircraft in September 2011, and possible sales of two Oliver Hazard Perry-class missile frigates, 36 AAV7 amphibious vehicles, and other assets in December 2015.
158 “Asia-Pacific Rebalance 2025” published by CSIS notes, “Taiwan has stopped requesting F-16C/Ds and probably hopes that the United States will eventually make available F-35s, perhaps in a decade.”
1) Regarding ground forces, while China possesses an overwhelming number of troops, their capability of landing on and invading the island of Taiwan is limited at this point in time. Nevertheless, China is making efforts to improve its landing and invasion capabilities in recent years, such as building large landing ships.\(^\text{159}\)

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.\(^\text{160}\)

3) Regarding missile attack capabilities, Taiwan has been strengthening its ballistic missile defense, including upgrading PAC-2 to PAC-3 and newly inducting PAC-3. China possesses numerous short-range ballistic missiles and other assets with ranges covering Taiwan and continues to increase them. Taiwan is deemed to have few effective countermeasures.

In addition to the size 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 must be paid to the strengthening of both the Chinese and Taiwanese military capabilities and U.S. weapon sales to Taiwan.

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\(^{159}\) The Ministry of National Defense of Taiwan states in the 2015 National Defense Report published in October 2015: “The PLA plans to complete the establishment of a formidable military arsenal for conducting military operations against Taiwan before 2020.”

\(^{160}\) China has 810 fourth-generation fighters, whereas Taiwan has 329. In addition, China has about 70 destroyers and frigates and about 60 submarines, whereas Taiwan has about 30 and 4, respectively. Furthermore, China commissioned the aircraft carrier Liaoning in September 2012 and is building indigenous aircraft carriers.