Southeast Asia occupies a strategic position for traffic, linking the Pacific and the Indian Oceans, such as the Straits of Malacca and the South China Sea. It is an important region for Japan which relies on maritime transport for many of the supplies needed for economic activities and the lives of the Japanese people. The countries in Southeast Asia are making efforts to achieve political stability and steady economic growth, and lately have realized overall economic development to varying degrees. Such economic development has deepened interdependence within the region and with countries outside the region. In late 2015, the establishment of

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**Fig. 1-2-6-1** Comparison of Forces Strength and Defense Budget between Southeast Asia and Japan/China/ROK 2016

**Notes:**
1. Source: “The Military Balance 2016,” etc. The size of each block indicates relative size using Japan as the base size.
2. There are limits to the comparisons of national defense budgets which have simply been converted into U.S. dollars when the different elements are taken into consideration, such as each country’s exchange rate fluctuations and price levels. However, as the purchasing power parities of Southeast Asian countries are not published by the Organisation for Economic Co-operation and Development (OECD) (except Indonesia), this figure intentionally represents the national defense budgets of Japan and other countries that have been converted into U.S. dollars using the exchange rate published by the Ministry of Finance of Japan.
3. For Japan, the force strength shows the actual strength of each SDF as of the end of FY2015; the number of combat aircraft is the sum of the number of combat aircraft of the ASDF (excluding transport aircraft) and that of the MSDF (fixed-wing aircraft only).
4. The Japanese national defense budget is the initial budget excluding the cost of the SACO, the share of the U.S. Forces realignment costs.
5. The national defense budget of China is from the Finance Minister’s Budget Report to the National People’s Congress in 2016.
6. The national defense budget for all of Southeast Asia represents the sum of the 2015 figures for each country according to “The Military Balance 2016.” However, the sum uses 2014 figures from “The Military Balance 2015” for Vietnam, Cambodia, and Laos.
7. The national defense budget of China and the ROK is expressed in U.S. dollars and is calculated using the FY2016 Ministry of Finance exchange rates of 120 yen to 1 dollar, 19 yen to 1 yuan, and 110 yen to 1,000 won.
8. The Japanese national defense budget is expressed in U.S. dollars converting 2016 figures using the FY2016 Ministry of Finance exchange rate of 120 yen to 1 dollar.
the ASEAN Community was declared as an outcome of the strides made in ASEAN cooperation towards its integration. Meanwhile, this region still has destabilizing factors, including the territorial disputes over the South China Sea, ethnic minority issues, separatist and independence movements, and Islamic extremist groups. Moreover, there are incidents such as piracy by which the safe passage of ships is obstructed. Furthermore, in recent years, there is a concern about nationals embarking to Iraq and Syria for the purpose of joining ISIL and engaging in terrorism after returning to their countries. In order to cope with these issues, the countries in Southeast Asia are working to build military forces for national defense and maintenance of domestic public security, as well as for addressing new security issues such as terrorism and piracy. Recently, against the backdrop of economic development, the countries have been modernizing their military forces, particularly their naval and air forces, as well as strengthening their maritime law enforcement capacities.

2 Security and Defense Policies of Each Country

Indonesia

Indonesia is a country of importance in Southeast Asia with the world’s largest Muslim population, vast land and territorial waters, and strategic importance for maritime traffic. Although Indonesia does not confront any immediate external military threats, it faces internal concerns, including the activities of Islamic extremists, such as Jemaah Islamiyah (JI), and secession and independence movements in Papua Province.

Under the banner of the maritime nation concept, President Joko Widodo who took office in October 2014 strives to revive maritime culture, address territorial disputes through maritime diplomacy, and strengthen maritime defense capabilities.

As part of its military force reform, Indonesia aims to meet the requirements for minimum defense capabilities—what it calls Minimum Essential Force (MEF)—and build the MEF over a period of four years. However, Indonesia has indicated that its maritime defense capabilities, in particular, are still very much inadequate. Accordingly, Indonesia has announced a defense budget increase as well as a policy to bolster its deployment of assets to the Natuna Islands in the South China Sea and other locations. Furthermore, Indonesia established the Joint Special Operations Command in the Indonesian National Armed Forces to counter terrorism. Indonesia also aims to increase its response capabilities through efforts including conducting related exercises. While no major terror attacks had occurred in Indonesia in recent years, terrorist bombing attacks took place in January 2016 in central Jakarta, which killed and injured several people.

Indonesia emphasizes cooperation with other Southeast Asian countries, and adopts an independent and active foreign policy. With the United States, it is strengthening its cooperative relationship in such fields as military education and training and military equipment procurement, and carries out joint training with the United States. These include the “Cooperation Afloat Readiness

1 As of November 2015, approximately 700 Indonesian nationals reportedly embarked for Iraq and Syria to join ISIL. It has also been suggested that nationals embarked from Malaysia, Singapore, and the Philippines.
2 For details, see Part I, Chapter 3, Section 1-3 “Trends in the Spread of International Terrorism.”
3 In October 2014, Commander of the Indonesian National Armed Forces Moeldoko commented that the country had only yet reached 38% of the target to achieve MEF in the next four years. Chief of Staff of the Indonesian Navy Marsetio has stated that the country’s maritime defense capabilities are very much inadequate, and that 12 submarines and 16 frigates are necessary.
4 It is believed that on December 15, 2015, Minister of Defense Ryamizard Ryacudu unveiled a plan to deploy a fighter squadron and small vessels to the Natuna Islands as well as increase the number of troops stationed there from the current 800 to around 2,000, including the special operations force of the Air Force, for the purpose of “being prepared for a range of threats such as illegal operations and illicit intrusion.”
5 On June 9, 2015, Commander of the Indonesian National Armed Forces Moeldoko formed the Joint Special Operations Command. Comprised of personnel from the Army, Navy, and Air Force who have received counter-terrorism training, it is believed to be based in Sentul, West Java and is ready to be mobilized 24 hours a day.
6 On January 14, 2016, multiple explosions and gunfire took place in central Jakarta, killing 8 people including 4 bombers and injuring more than 20 people. ISIL’s Indonesia branch issued a statement claiming responsibility.
and Training (CARAT)”\(^6\) and the “Southeast Asia Cooperation Against Terrorism (SEACAT)”\(^8\) exercises. In October 2015, President Joko visited the United States. The two leaders discussed the strengthening of the comprehensive partnership between the two countries, and welcomed the signing of the Joint Statement for Comprehensive Defense Cooperation between the Secretary of Defense and the Minister of Defense that took place at the same timing.\(^9\)

With China, the counter-terrorism training Sharp Knife has been held among the special operation forces of the two countries since 2011, and Sharp Knife Airborne among the airborne units of the air forces of the two countries since 2013. In March 2015, President Joko visited China as a state guest, and affirmed with President Xi Jinping that they would deepen bilateral relations under the framework of comprehensive strategic partnership.

### Malaysia

Malaysia, which is located at the center of Southeast Asia, considers itself to have common strategic interests with its neighboring countries. Although Malaysia does not acknowledge any imminent external threats at present, it believes that its forces should maintain a level of readiness for dealing with all military threats, and therefore, places importance on “Independence,” “Total Defence,” “Commitment to the Rule of the Five Power Defence Arrangements (FPDA),”\(^10\) “Cooperation to the U.N. for World Peace,” “Measures against Terrorism,” and “Defence Diplomacy” in its defense policy. Malaysia and the United States hold joint exercises such as CARAT and SEACAT, and promote military cooperation including capacity-building in the maritime security field.\(^11\)

Despite competing claims over the sovereignty of the South China Sea and other matters, Malaysia and China have strong ties, especially their economic relationship, and mutual visits by dignitaries take place frequently. In September 2015, Malaysia and China conducted their first bilateral field training exercise Peace and Friendship 2015 in the Strait of Malacca. Furthermore, in November 2015, when the Commander of the Chinese Navy visited Malaysia, the two countries are said to have agreed on making use of the Port of Kota Kinabalu for port calls by Chinese Navy vessels.\(^12\) On the other hand, in connection with the recent continued anchoring of Chinese government vessels around the South Luconia Shoal over which Malaysia claims sovereignty, Malaysia has announced that its Navy and maritime law enforcement agencies would conduct around-the-clock monitoring, and that Malaysia would firmly defend its sovereignty. Along with strengthening its maritime defense force, in recent years Malaysia has striven to bolster its defense posture in eastern Malaysia, announcing in October 2013 that it would construct a new naval base in Bentulu close to the James Shoal and the South Luconia Shoal.\(^13\)

### Myanmar

Myanmar shares borders with China and India, which are steering the changing balance of power in the international community, and is located on the border of South Asia and Southeast Asia. In light of these factors, Myanmar is noted for its strategic significance. In Myanmar, the armed forces had control over the government following the collapse of the socialist regime in 1988. However, with an economic slowdown caused by the economic sanctions imposed by the West against the military government, coupled with isolation from the international community, a road map to democracy was unveiled in 2003.\(^14\) The road map to democracy was completed following the inauguration of the Thein Sein administration in March 2011. In the first general elections held in November 2015 following the transition to civilian rule, the National League for Democracy (NLD) led by President Aung San
Suu Kyi secured a victory. In March 2016, Htin Kyaw was elected President at the Assembly of the Union. In the same month, he was appointed President, and a new administration was inaugurated.

Since the previous Thein Sein administration, the government of Myanmar has actively taken steps towards democratization, including the release of political prisoners and ceasefire agreements with ethnic minorities. The international community has shown some level of appreciation for these steps, with the West including the United States successively easing economic sanctions on Myanmar. Following the inauguration of the new administration, the United States and other countries have issued statements welcoming the advances made towards democratization and expressing high expectations for the administration of the government.

With regard to the efforts for a ceasefire agreement with ethnic minorities, in October 2015 the government signed a national ceasefire agreement with eight of the 16 armed ethnic minority groups with which negotiations were undertaken. Nevertheless, challenges still remain for the new administration, with eight other groups refusing to sign the ceasefire agreement, as well as fighting breaking out with groups that are not participating in the negotiations and are excluded from the agreement.

Additionally, including in the years preceding the previous administration, nuclear issues and military ties with North Korea have been raised as matters of concern. The conflicts between Rohingya Muslim ethnic minorities and Buddhists since 2012 have led to widespread concerns among the international community about their impacts on the democratization of Myanmar. With regard to the Rohingya issue, since 2015 the drifting of approximately 7,000 people near the Strait of Malacca has developed into a crisis. Following talks to discuss responses by the relevant countries, it was decided that countries such as Malaysia and Indonesia would permit the temporary acceptance of these people, on the condition that they return to their country in the future. However, Myanmar does not recognize the Rohingya people as its citizens, and thus, their legal status as stateless people is further complicating this issue.

With regard to foreign policy, Myanmar upholds the principle of independence and non-alignment. On the other hand, China is thought to be an especially important partner to Myanmar since its period of military rule. With economic support from China, a gas pipeline and a port, among other infrastructure, are being built. On the military front, China is regarded as a major supplier of equipment. In June 2014, previous President Thein Sein visited China, and the two sides agreed to deepen cooperation in such areas as defense practices, law enforcement, and security. In June 2015, NLD President Aung San Suu Kyi visited China, and in a meeting with President Xi Jinping, the two countries agreed that they would enhance their friendly relations. Furthermore, Myanmar is strengthening its cooperative relationship with India both in the economic and military areas.

See>> Part III, Chapter 2, Section 1-4-6 (7) Myanmar

The Philippines

The Philippines perceives that it confronts new security challenges, including non-traditional threats, such as transnational crime. At the same time, it identifies that long-standing issues, such as the territorial disputes over the South China Sea and terrorism perpetrated by domestic anti-government armed groups, constitute major security concerns. In the first presidential election in six years held in May 2016, Rodrigo Duterte was elected.

As regards domestic security issues, over the last approximately 40 years, armed conflicts have repeatedly broken out between the government of the Philippines and the Moro Islamic Liberation Front (MILF) in particular. With the support of the activities of the International

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15 On November 20, 2015, the Union Election Commission of the Republic of the Union of Myanmar announced the results of the November 8 general elections. The results confirmed that NLD won 390 of the 491 contested seats, while the ruling party Union Solidarity and Development Party (USDP) gained no more than 41 seats.

16 About 30% of Myanmar’s population is ethnic minorities, some of which demand secession or greater autonomy for their regions. In the 1960s, the government of Myanmar implemented oppressive policies involving human rights violations such as forced labor and forced migration, which led to armed conflicts with armed groups of ethnic minorities.

17 It is reported that at talks with then President Lee Myung-bak of the ROK in May 2012, President Thein Sein admitted that some weapons trading took place with North Korea in the past 20 years and indicated that the country would not engage in such trade in the future. He denied cooperation with North Korea on nuclear development. Moreover, it has been reported that, at the 11th IISS Shangri-La Dialogue (Asia Security Summit) held in June the same year, then Defence Minister Hla Min disclosed that while the previous government attempted to start academic research on nuclear technology, this research was abandoned when the new government was inaugurated and that Myanmar suspended its political and military ties with North Korea.
Monitoring Team (IMT). The peace process is seeing progress, including the signing of the Comprehensive Agreement on the Bangsamoro and the partial decommissioning of MILF forces and weapons. On the other hand, military clashes have occurred between the government army and National Police, and armed forces opposing the peace talks. It is deemed that time will be required to achieve practical peace.

The Philippines and the United States, with a historically close relationship, consider that the U.S.-Philippines alliance is a lynchpin for the peace, stability, and prosperity of the Asia-Pacific region. The two countries have maintained a cooperative relationship under their mutual defense treaty and military assistance agreement, even after the withdrawal of the U.S. Forces in 1992. The two countries have conducted the large-scale military exercise Balikatan every year since 2000 as well as the CARAT and SEACAT joint exercises. In November 2015, when President Obama visited the Port of Manila during his visit to the Philippines, the President announced support for areas including equipment cooperation, capacity-building in coastal security, and joint exercises, stating that as an ally the United States was committed to further strengthening and expanding their existing security cooperation.

In January 2016, the Supreme Court of the Philippines ruled that the Enhanced Defense Cooperation Agreement (EDCA) signed between the two countries in April 2014 for strengthening their cooperation on such areas as the capacity enhancement of the Armed Forces of the Philippines and disaster relief was constitutional. In the same month, the two countries held a Foreign and Defense Ministerial Meeting (2+2) in Washington, D.C. and discussed South China Sea issues, approach to strengthening their defense cooperation, among other matters. In March 2016, the two countries agreed on five locations for carrying out defense cooperation based on the EDCA. In April 2016, the two countries announced the continuation of joint patrols in the South China Sea and routine deployments of U.S. aircraft and other assets to Clark Air Base. It is expected that concrete steps would be taken, including the development of facilities in the Philippines for the rotational deployment of the U.S. Forces in accordance with the EDCA. In this regard, attention will be paid to related developments from the perspective of the strengthened presence of the U.S. Forces in the Philippines.

The Philippines and China have competing claims over the sovereignty of the Spratly Islands and the Scarborough Shoal in the South China Sea. In recent years, the two countries have stepped up their activities to assert their sovereignty, with both countries lodging protests against the other’s actions and assertions. Against this backdrop, seeking a settlement under international law, in January 2013, the Philippines launched arbitral tribunal proceedings pursuant to UNCLOS against China. The Philippine effort aimed at peaceful settlement has received support from many countries including the United States. The arbitral tribunal rendered its final ruling in July 2016.

See Part I, Chapter 2, Section 6-4 (Trends concerning Sovereignty and Other Issues over the South China Sea)

See Part III, Chapter 2, Section 1-4-6 (4) The Philippines
Singapore

Given its limited land area, population, and resources, Singapore’s existence and development depend on the peace and stability of the region in a globalized economy. Singapore gives high priority to national defense, with defense spending accounting for about one-fifth of its national budget.

Singapore identifies deterrence and diplomacy as twin pillars of its national defense policy.

Singapore emphasizes the importance of cooperative relations with ASEAN and the FPDA, and has concluded defense cooperation agreements with countries within and outside the region. With the aim of contributing to peace and stability in the region, Singapore supports U.S. presence in the Asia-Pacific and permits it to use military facilities in Singapore. In 2013, U.S. littoral combat ships (LCSs) began their rotational deployments. In December 2015, the P-8 patrol aircraft of the U.S. Forces were deployed to Singapore for around one week for the first time. The two countries have committed to continuing to carry out similar deployments routinely. In addition, Singapore conducted joint exercises with the United States, such as CARAT and SEACAT.

With China, active mutual visits by their dignitaries have taken place, and in November 2014, Minister of Defence Ng Eng Hen visited China. During his talks with Minister of National Defense Chang Wanquan, the two sides agreed to develop their defense cooperation and promote joint training. In November 2015, President Xi Jinping of China visited Singapore. In May 2015, the two countries conducted their first bilateral naval joint exercise China-Singapore Cooperation 2015.

Thailand

Thailand’s defense policy includes: strengthening defense cooperation through ASEAN, international organizations, and other entities; defense that makes comprehensive use of political, economic, and other national strengths; and effective defense aimed at increasing the readiness of the Royal Thai Armed Forces (RTAF) and developing the defense industry. Attacks and bombing incidents by Islamic extremists seeking secession and independence have become a frequent occurrence in southern Thailand. The government identifies the swift restoration of peace and security of the lives and property of the people in southern Thailand as an urgent task.

In August 2013, the submission of an amnesty bill by opposition parties to the House of Representatives sparked large-scale anti-government demonstrations, mainly in the capital city of Bangkok. The House was dissolved in December 2013, and a declaration of a state of emergency was issued in January 2014.

In May 2014, following the declaration of martial law nationwide, forces led by the RTAF launched a coup d’état and seized power over the nation. Subsequently, then Commander-in-Chief Prayuth Chan-o-Cha of the Royal Thai Army established the National Council for Peace and Order that he chairs. In August 2014, he was elected interim Prime Minister. Based on the roadmap for transitioning to civilian rule, the Prayuth administration established the National Reform Council and the Constitution Drafting Committee in succession in October 2014, and aims to hold general elections and transition to a new administration under a new constitution. Meanwhile, in September 2015, the draft of the new constitution was rejected by the National Reform Council. As a result, a national referendum on the draft new constitution was scheduled for August 2016, which is expected to delay the general elections to 2017 or thereafter.

In August 2015, bombings took place in Thailand’s capital city of Bangkok that resulted in many casualties and wounded. Twenty people died, including foreign nationals. In addition, undemarcated border issues exist between Thailand and neighboring countries including Myanmar and Cambodia.

Under its flexible omni-directional diplomatic policy, Thailand pursues cooperation with other Southeast Asian countries and coordination with major countries, including Japan, the United States, and China. Since the conclusion of the Military Assistance Agreement in 1950,

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24 See Part I, Chapter 2, Section 6-2, Footnote 10.
25 Based on an agreement reached in April 2013. In December 2013, LCS USS Fort Worth arrived in Singapore for the second rotational deployment.
26 In December 2015, Minister of Defence Ng Eng Hen of Singapore visited the United States. The two sides signed the Enhanced Defense Cooperation Agreement, and concurred that in accordance with this Agreement, they would strengthen their defense cooperation in the five areas of military, policy, strategy, technology, and the non-traditional security area of piracy and terrorism.
27 The bill gives amnesty to those who were arrested in the political upheaval since the military coup d’état in 2006. It is deemed that the bill would allow former Prime Minister Thaksin Shinawatra, who has been convicted but is living overseas, to return to Thailand.
28 On August 17, 2015, two bombings took place in a commercial area in central Bangkok (sightseeing location Erawan Shrine at the Ratchaprasong Intersection), killing 20 people and injuring many including Japanese nationals. On the following day, August 18, a bombing took place at a dock along the Chaophraya River in Bangkok (no casualties and wounded). On the same day, Prime Minister Prayut Chan-o-cha issued a statement saying, “The incident has made it clear that there are elements who have intent to make political gains to undermine the Thai economy and tourism industry. The government is fully committed to the investigation of the perpetrators.” That same day, the Commander-in-Chief of the Royal Thai Army denied the possibility that Islamic extremists aiming to secede and gain independence in Patani were involved. On November 24, 2015, Thai police indicted two foreign nationals believed to be Uighurs who were arrested as suspects behind the incidents.
Thailand and its ally, the United States, have maintained a cooperative relationship. They have conducted the multinational joint exercise Cobra Gold since 1982, as well as the CARAT and SEACAT joint exercises. Thailand and China have also promoted military exchanges, conducting joint exercises such as Blue Strike among their marines and Falcon Strike among their air forces. In April 2012, the two countries agreed on the joint development of multiple rocket launchers.

**Vietnam**

Vietnam perceives that it confronts diverse and complex security challenges. It considers that the issues in the South China Sea have serious impacts on the maritime activities of Vietnam, and non-traditional threats, such as piracy and terrorism, are matters of concern.

During the Cold War era, the former Soviet Union provided the most significant assistance to Vietnam. Until 2002, Russia had a naval base in Cam Ranh Bay. After the collapse of the former Soviet Union, Vietnam rapidly expanded its diplomatic relations with other countries, including establishing diplomatic ties with the United States. At present, Vietnam pursues an omni-directional diplomatic policy and seeks to actively participate in international and regional cooperation in order to build friendly relations with all countries. Vietnam established a PKO Center in May 2014 and began deploying personnel for U.N. PKO in June 2014. Following this, Vietnam announced that it would gradually scale up its personnel contributions. As such efforts exemplify, Vietnam is committed to making contributions to the international community.

In January 2016, the Congress of the Communist Party of Vietnam (CPV) was held after five years since the previous Congress. The Congress decided that Nguyen Phu Trong would remain CPV General Secretary, among other decisions, and a new leadership was established. General Secretary Trong in his second term identified that his focal missions for the next five years would include the following: enhance party building; carry out political reform; accelerate national modernization; and maintain the country’s independence, sovereignty, unity, and territorial integrity.

Vietnam and the United States have strengthened their military relations in recent years. This has taken such forms as joint exercises with the U.S. Navy and port calls by U.S. Navy vessels in Vietnam. In June 2015, Minister of National Defence Thanh and U.S. Secretary of Defense Carter, who was visiting Vietnam, signed a joint statement spelling out promotion of consultations and dialogues and engagement in maritime security. In July 2015, General Secretary Trong, making his first visit to the United States as CPV General Secretary, held talks with President Obama. In the area of defense, the two sides confirmed that they would continue to cooperate on maritime security, carry out defense equipment trade, and cooperate on the transfer of defense science technologies. In June 2016, during his visit to Vietnam, President Obama announced that the United States would fully lift its arms embargo on Vietnam.

Vietnam and Russia continue to strengthen cooperation in the area of national defense. In March 2013, Minister of Defence Sergey Shoygu visited Vietnam, and the two sides agreed to jointly construct vessel replenishment facilities along Cam Ranh Bay. In 2014, Russian IL-78 aerial refueling tankers landed at Cam Ranh International Airport for the first time for the refueling flights for Russia’s Tu-95MS strategic bombers.  

30. In May 2014, following the coup d’état in Thailand, the United States announced it would suspend joint exercises and freeze military assistance. However, multinational joint exercise Cobra Gold was held in February 2015, and bilateral joint exercise CARAT was held in August 2015.
31. From November 12 to 30, 2015, the first joint exercise between Chinese and Thai air forces, Falcon Strike-2015, was held at the Korat Royal Thai Air Force Base in Thailand. From China, six J-11B fighters participated, from Thailand, five JAS-39 Gripen fighters participated. In addition, in the air show of the closing ceremony of the exercise, from China, seven J-10 fighters of the August 1st Aerobatics Team participated, and from Thailand, two F-16 fighters participated.
32. President Tran Dai Quang, Prime Minister Nguyen Xuan Phuc, Minister of National Defence Ngo Xuan Lich, and others were appointed at the Vietnamese National Assembly.
33. In 1984, the United States invited an arms embargo on Vietnam on the grounds of its human rights issue. In 2007, the arms embargo was lifted excluding lethal weapons. In October 2014, the United States announced the lifting of its embargo on the sale of maritime security-related lethal weapons to Vietnam. In November 2015, when President Obama unveiled his policy of strengthening assistance for Southeast Asian countries, the President stated that the United States would provide approximately U.S.$45 million of assistance to Vietnam over two years until 2016. The President then announced the bolstering of maritime ISR capabilities and the expansion of cooperation on bilateral exercises focusing on HADR.
34. On June 1, 2015, U.S. Secretary of Defense Carter and Vietnamese Minister of National Defence Thanh signed a joint statement in Hanoi. They confirmed that the two countries would, among other things, (1) promote senior-level consultations and defense policy dialogues and mutually carry out U.N. PKO; (2) mutually carry out search and rescue, humanitarian assistance, and disaster relief; and (3) promote maritime security. The United States affirmed that it stood ready to share its experience and information, conduct personnel training, and provide equipment that contribute to maritime security and law enforcement.
35. In July 2015, CPV General Secretary Trong of Vietnam visited the United States for the first time as General Secretary and held talks with President Obama. At the joint press conference following the meeting, the two sides announced that they would strengthen their defense and security relations; promote economic, trade, and investment cooperation; and increase mutual visits by senior officials and bilateral consultations. The two sides also announced the signing of the “United States-Vietnam Joint Vision Statement,” “Memorandum on U.N. PKO Cooperation,” and agreements pertaining to trade promotion, infectious disease measures, and grant assistance related to civil aircraft.
36. In March 2015, it was reported that U.S. DoD authorities, while stating the relevant facts, requested Vietnam to prevent the recurrence of this activity. In addition, a senior official of the U.S. Pacific Command allegedly stated that the Russian military aircraft that received refueling from the aerial refueling tankers arriving from the Cam Rahn base conducted provocative flights. In January 2015, the Russian Ministry of Defence announced that Russian aerial refueling tankers (IL-78) used Cam Rahn Bay in 2014, enabling the refueling of strategic fighters.
these examples demonstrate, the two countries have been carrying out new military cooperation. In recent years, the two countries have also promoted cooperation in the energy sector, such as nuclear power generation. Vietnam is nearly dependent on Russia for its defense equipment.

See>> Part I, Chapter 2, Section 4-5-2 (Relations with Asian Countries)

Vietnam and China, under their comprehensive strategic cooperation partnership relations, proactively conduct exchanges among their senior government officials. However, the two countries have competing claims concerning issues such as sovereignty over the South China Sea. In April 2015, CPV General Secretary Nguyen Phu Trong visited China for the first time in three and a half years. Following his talks with President Xi Jinping, the two sides issued a joint statement on strengthening exchanges and cooperation between their military forces and managing the differences in opinion to prevent their development into disputes, among other matters. In November 2015, President Xi Jinping visited Vietnam, and the two sides agreed that differences in opinion regarding maritime issues would be dealt with appropriately. They also signed a joint statement that included commitments to peacefully resolving the South China Sea issues among the parties to the issues.

Vietnam and India have been deepening their cooperative relationship in a broad range of areas, including security and economy. In the area of defense cooperation, it is noted that the Indian Armed Forces support the training of Vietnam’s Navy submarine personnel and Air Force pilots, and Indian Navy vessels make friendly visits to Vietnam. Furthermore, when Minister of National Defense Phung Quang Thanh visited India in May 2015, the two sides signed the Joint Vision Statement on Defence Cooperation for the period 2015-2020. Cooperation in the area of energy between India and Vietnam is also deepening, with a joint development program for oil and natural gas in the South China Sea.

See>> Part I, Chapter 2 Section 6-4 (Trends concerning Sovereignty and Other Issues over the South China Sea)
See>> Part III, Chapter 2, Section 1-4-6 (2) Vietnam

### 3 Military Modernization in the Region

In recent years, Southeast Asian countries have increased their defense spending against the backdrop of economic development and other reasons, and are modernizing their military forces focusing on inducting equipment such as submarines and fighters including fourth-generation modern fighters. The underlying factors noted are increases in defense spending, the relationship between Southeast Asian countries in the sense that they react to neighboring states’ development of military capabilities, response to the expansion of China’s influence, and the inadequate role of regional security organizations to nurture relationships of trust. Many Southeast Asian countries procure much of their defense equipment from a wide range of countries. As such, there are perceived difficulties in achieving consistent operations and maintenance in the respective countries.

Indonesia has introduced a total of 16 Russian Su-27 fighters and Su-30 fighters by 2013. Moreover, in September 2015, Indonesia allegedly decided to purchase Su-35 fighters from Russia under its plan to upgrade its F-5 fighters. It is also believed that Indonesia agreed to purchase two Kilo-class submarines from Russia. In 2011, an agreement was reached regarding the U.S. provision of 24 F-16 fighters, three of which were delivered in July 2014. In 2013, Indonesia agreed to purchase 8 AH-64 attack helicopters. With the ROK, Indonesia concluded an agreement in December 2011 to purchase three ROK-made 209-class submarines. The two countries started joint development of the KF-X fighter, and in October 2014, concluded a basic agreement which sets forth the details of their cost sharing and bilateral cooperation. In addition, Indonesia is domestically building two frigates based on the Dutch Sigma-class vessel.

In 2009, Malaysia introduced two Scorpène-class submarines (jointly developed by France and Spain) as its first submarines. In November 2014, Malaysia reportedly concluded an agreement to purchase six corvettes from the ROK. Furthermore, Malaysia announced a plan to

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37 The joint statement’s references to the military field include maintaining high-level contacts and military and security dialogue between the two countries, strengthening friendly exchanges between their border patrol forces, properly dealing with differences in opinion, exchanging military experiences with party and political tasks, deepening cooperation on personnel training, and continuing joint patrols in the Gulf of Tonkin and vessel exchanges. In the joint statement, with regard to the South China Sea dispute, the two sides also affirmed the importance of executing the Declaration on the Conduct of Parties in the South China Sea (DOC) and swiftly establishing the Code of Conduct of Parties in the South China Sea (COC).

38 The statement was agreed upon in May 2015, when Minister of National Defense Phung Quang Thanh visited India and held talks with Defence Minister Manohar Parrikar. While the content of the Joint Vision Statement has not been disclosed, it is said to cover the period 2015-2020, with maritime security cooperation constituting the main pillar. On the same day, the two sides also signed an MOU on strengthening the cooperation between their coast guards.

39 Based on IISS’s “The Military Balance” and other sources.
build six indigenous LCSs and started building one of them. It also introduced 18 Russian-made Su-30 fighters by 2009 and is selecting a successor to its Mig-29 fighters that are scheduled to be decommissioned in 2015.

The Philippines has taken steps in recent years to modernize its defense equipment against the backdrop of conflicts over territorial rights in the South China Sea. After the F-5 fighters were decommissioned in 2005, the Philippines did not have any fighters for some length of time. However, in November 2015, the Philippines introduced the first 2 of the 12 FA-50 light fighters for which a purchase agreement had been concluded with the ROK. As for naval forces, the Philippines received two Hamilton-class frigates from the United States in 2011 and 2012, and is expected to receive three more of the same-class frigate. In June 2014, it was reported that the ROK would provide decommissioned Pohang-class corvettes. By January 2015, seven Italian AW109 multi-purpose helicopters tailored to wide-ranging naval missions, such as maritime patrol, have been delivered. Additionally, the Philippines has announced plans to procure equipment, such as attack helicopter, long-range maritime patrol aircraft, transport vessel, and amphibious vehicle.

Singapore is actively striving to modernize its forces. By 2012, Singapore introduced two Archer-class (Västergötland-class) submarines from Sweden. In December 2013, Singapore concluded an agreement to purchase two German 218SG-class submarines, and announced a plan to build eight indigenous patrol vessels. With regard to fighters, Singapore inducted U.S.-made F-15 fighters and participates in the F-35 Joint Strike Fighter (JSF) Program.

Thailand has an aircraft carrier but does not own submarines. In July 2014, Thailand established the Submarine Squadron Headquarters, and has started the evaluation work to procure new submarines. In July 2015, it was reported that the Royal Thai Navy decided on a plan to purchase Chinese-made submarines. While it was deemed that subsequently, Minister of Defence Prawit Wongsuwon instructed the reconsideration of the plan, it is thought that in July 2016, he decided to purchase three Yuan-class submarines from China. With regard to frigates, in September 2012, the Cabinet approved a plan to introduce two frigates, and concluded an agreement to purchase an ROK-made frigate for the first frigate. In addition, by 2013, Thailand has introduced 12 Swedish-made JAS-39 Gripen fighters.

In December 2009, Vietnam concluded a contract to purchase six Russian-made Kilo-class submarines and introduced four of them by June 2015. In 2013, it was reported that Vietnam concluded a contract to purchase two Dutch-made Sigma-class corvettes. Furthermore, Vietnam reportedly concluded a contract to purchase 24 Russian-made Su-30 fighters from 2009 to 2011, and concluded a contract to additionally purchase 12 of the same fighter by 2013. Following the United States’ lifting of its embargo, attention will be paid to the trends in the equipment that Vietnam introduces from the United States, primarily in terms of the strengthening of Vietnam’s maritime defense capabilities.

4 Trends concerning Sovereignty and Other Issues over the South China Sea

In the South China Sea, ASEAN countries and China have competing claims to such areas as the Spratly Islands and the Paracel Islands. Under these circumstances, China’s unilateral, large-scale, and rapid land reclamation and building of facilities have heightened tension in the region, increasing international concern over freedom of navigation in the seas and other dimensions. Against this backdrop, the international community’s deep concern over the unilateral changes in the status quo and their creation of a fait accompli is quickly becoming ever more widespread.

In recent years, the relevant countries and others are increasing their activities in the South China Sea in support of their territorial claims. China enacted the Act on the Territorial Sea and the Contiguous Zone of the People’s Republic of China in 1992, which stated that the Spratly Islands and the Paracel Islands are the territories of China. In addition, China attached a map of the “nine-dash line” to a verbal note addressed to the United Nations in 2009, in which it made claims to the parts of the South China Sea that purportedly came under China’s sovereignty, sovereign rights, and jurisdiction. There were objections to the ambiguity of the justifications to this “nine-dash line” under international law, and this has given rise to competing claims with Southeast
Asian countries over the sovereignty and other aspects of the South China Sea. To date, China has not offered any concrete explanations regarding the relationship between the “nine-dash line” and relevant international norms. In June 2012, China announced the establishment of Sansha City in Hainan Province, which claims to have jurisdiction over the islands of the Spratly Islands, the Paracel Islands, the Macclesfield Bank, and their surrounding waters. In November 2013, Hainan Province amended its regulation on the implementation of China’s fishing law, stipulating that foreign fishing vessels that wish to carry out fishing activities in waters under the jurisdiction of Hainan Province must obtain permission from the relevant departments under China’s State Council. In January 2016, China set out a maritime policy for the next five years beginning from 2016, which stated that China would build a “Spratly Islands ecosystem protection zone.”

In March 2009, the Philippines passed the so-called Archipelagic Baselines Law, stating that the Philippines has sovereignty over part of the Spratly Islands and the Scarborough Shoal pursuant to UNCLOS. In May 2009, Vietnam and Malaysia jointly requested to the U.N. an extension of the continental shelf of the sea area that includes part of the Spratly Islands. In June 2012, Vietnam adopted the Maritime Law (effective January 2013) that asserts its sovereignty over the Spratly and Paracel Islands.

Some of the countries concerned in the South China Sea have reportedly resorted to the use of force on the opposing country’s vessels, including seizing vessels and firing warning shots, and the concerned countries have mutually lodged protests against these actions. In May 2014, China’s unilateral commencement of oil drilling in waters near the Paracel Islands triggered confrontations between Chinese and Vietnamese vessels, and many vessels reportedly sustained damages due to collisions. In July 2015, a Vietnamese fishing vessel was rammed by a Chinese vessel and sunk near the Paracel Islands. Similar incidents are believed to have taken place in September 2015 and January and March 2016. In November 2015, a Chinese vessel allegedly appeared several kilometers off the coast of Thitu Island of the Spratly Islands occupied by the Philippines and anchored there for approximately ten days. In January 2016, a Vietnamese fishing vessel operating near the Spratly Islands reportedly collided with a Taiwanese coast guard vessel. In the same month, the Ministry of Foreign Affairs of Vietnam, alleging that

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42 According to the Republic Act No. 9522. This law gives the location of the baselines of the archipelago in terms of latitude and longitude, including of Luzon Island, Palawan Island, and Mindanao Island. However, for the Spratly Islands (Filipino name: Kalayaan Islands) and the Scarborough Shoal (Filipino name: Bajo de Masinloc), the law states that the baseline is based on the “Regime of Islands” under Article 121 of UNCLOS and does not give the geographical location of the baseline.

43 Thitu Island (Filipino name: Pag-asa Island) is a feature located near Subi Reef where China is building a runway. The mayor with jurisdiction over the island spotted the China Coast Guard vessel. This was reportedly the first time that a vessel anchored for as long as ten days.
China’s oil drilling rig “Haiyang Shiyou 981” conducted activities in an area north of the Paracel Islands where Vietnam and China have overlapping claims to the continental shelf, requested China to suspend its operations and withdraw the rig.  

Furthermore, some of the countries concerned in the South China Sea conduct land reclamations and build facilities on the features they respectively occupy, including the Spratly Islands. Since 2014, China has gone ahead with its large-scale and rapid land reclamations and the building of facilities, such as harbors and runways, on seven features of the Spratly Islands. China has officially admitted to the installation of military facilities. In January 2016, China went ahead with test flights of requisitioned private aircraft at an airstrip built on Fiery Cross Reef. In response, Vietnam expressed strong protest and requested the prevention of its recurrence. Similarly, the Philippines expressed its intention to protest.

In October 2015, Taiwan completed a 12.7 m-high lighthouse on Itu Aba Island of the Spratly Islands. In December 2015, Taiwan completed a deep-water wharf on the same island cable of anchoring 3,000 t-class vessels. In January 2016, then President Ma Ying-jeou of Taiwan visited Itu Aba Island. In this connection, Vietnam lodged representations to Taiwan, saying it was a “serious violation of sovereignty.” U.S. government officials have also expressed despair. Meanwhile, by 2015 Vietnam has claimed approximately 86,000 square meters on the West London Reef and Sand Cay of the Spratly Islands combined. It is suggested that Vietnamese construction work includes the building of military facilities. At the same time, in 2011, the Philippines unveiled a plan to repair the harbor and runway on Thitu Island of the Spratly Islands. It has also announced a plan to install monitoring equipment on the same island to track private aircraft by the end of 2016. In December 2015, 47 young people and others of the Philippines, in protest against Chinese claims, landed on Thitu Island and stayed there for approximately one week, to which China expressed strong dissatisfaction.

Under these circumstances, in 2002, ASEAN and China signed the Declaration on the Conduct of Parties in the South China Sea (DOC) aimed at peacefully resolving the issues over the South China Sea. Official talks are now ongoing for establishing the Code of the Conduct of Parties in the South China Sea (COC), which goes into further detail than the DOC and is deemed to have legal binding force.

The issues surrounding the South China Sea have been discussed repeatedly at ASEAN-related meetings and other fora, with a view to achieving their peaceful resolution. However, as exemplified by the unprecedented situation in the past that led to the failure to adopt an ASEAN joint statement, there have been instances in which consensus was not reached among the member states. Nevertheless, there were also instances in which ASEAN adopted a unified response. For example, at the ASEAN Summit in April 2015 and the ASEAN Foreign Ministers’ Meeting in August 2015, members expressed that they “share the serious concerns” on the land reclamations being undertaken in the Spratly Islands. At the ASEAN Summit in November 2015, members shared concerns regarding the possibility of further militarization in the South China Sea. At the East Asia Summit held in the same month that was also attended by non-ASEAN countries, members took note of the serious concerns regarding developments related to the situation in the South China Sea. The Chairman’s Statement included reference to the fact that the members welcomed assurances given by President Xi Jinping of China during his visit to the United States in September 2015 that China “does not intend to pursue militarization in the South China Sea.”

Some countries involved are also making efforts to settle the issues in accordance with international law. In January 2013, the Philippines instituted arbitral proceedings pursuant to UNCLOS for the dispute over China’s assertions and actions in the South China Sea. In July 2015, the Philippines presented oral arguments in The Hague in the Netherlands to determine whether or not the arbitral tribunal had jurisdiction over the submissions made by the Philippines. In October 2015, the arbitral tribunal ruled that it had jurisdiction with
The issues surrounding the South China Sea are a matter of concern for the whole international community, and are directly related to the peace and stability of the Asia-Pacific region. As such, attention will continue to be paid to trends in the countries concerned, as well as the direction of dialogues aimed at the resolution of the issues.

The ASEAN Community established on December 31, 2015 is comprised of three pillars, namely, cooperation by the ASEAN Political-Security Community, ASEAN Economic Community, and ASEAN Socio-Cultural Community. The first of these, the ASEAN Political-Security Community (APSC), adopts the principle of building on what has been constructed over the years in the field of political and security cooperation through ASEAN’s initiatives, and of aiming to ensure a peaceful life in a democratic and harmonious environment. To live up to this principle, the APSC Blueprint 2025, which was adopted at the 27th ASEAN Summit in November 2015, describes the following two major concepts.

The first is to become a community in which people live in a safe and harmonious security environment and share the values of tolerance and moderation by 2025. The second is to respond to challenges against regional peace and security and play a central role in the regional architecture, while at the same time, working with countries outside of the region to contribute to world peace, security, and stability.

The Blueprint identifies four characteristics of measures that are designed for realizing these concepts: (1) aiming to become a rules-based, people-oriented, people-centered community, adhere to and promote ASEAN fundamental principles by implementing the ASEAN Charter and ASEAN agreements to date, among other actions; (2) aiming to become a peaceful, secure, and stable region, strengthen mechanisms such as the ASEAN Foreign Ministers’ Meeting, the ASEAN Defense Ministers’ Meeting (ADMM), and the ARF; (3) aiming for dynamic and outward-looking ASEAN centrality, strengthen the initiatives under ASEAN-led mechanisms and strengthen dialogue and cooperation with countries outside of the region; and (4) aiming for strengthened ASEAN institutional capacity and presence, streamline ASEAN work processes and raise institutional presence regionally and internationally.

ASEAN member states also utilize ASEAN as the multilateral security framework of the region that it has been over the years. ASEAN holds mechanisms such as the ARF and ADMM, which provide opportunities for respect to some of the matters. In response, China issued a statement saying that this decision was “invalid and has no binding force,” and reiterated its position that it would not participate in the proceedings. The arbitral tribunal, however, expressed the opinion that China’s non-participation would not affect the implementation of the proceedings. The decision of the arbitral tribunal has legal binding force between the parties to the dispute. In November 2015, the Philippines presented oral arguments for this case, and in July 2016, the tribunal rendered a final ruling in which nearly all of the Philippines’ submissions were ruled in favor of the Philippines. In response, China once again issued a statement noting that the ruling was invalid and had no binding force and that China opposed and refused to accept it. Pursuant to UNCLOS provisions, the award of the arbitral tribunal is final and is legally binding on the parties to the dispute, and therefore, it is necessary that the parties adhere to the award.

According to information made public by the arbitral tribunal, of the 15 submissions made by the Philippines, the jurisdiction of the arbitral tribunal has been recognized thus far for submissions such as those concerning decisions regarding whether or not the features, etc. occupied by China meet the requirements of territorial waters or of EEZ/continental shelf (e.g., Mischief Reef and Subi Reef are low-tide elevations and do not meet the requirements of territorial sea), those contending that China interfered with or posed danger to the activities of Philippine fishing vessels, and those contending that China violated obligations to protect and preserve the environment.

With regard to the binding force of the decisions of the arbitral tribunal, UNCLOS contains provisions, such as “Any decision rendered by a court or tribunal...shall be complied with by all the parties to the dispute” and “Any such decision shall have no binding force except between the parties and in respect of that particular dispute” (Article 296 and Annex VII, Article 11).

With regard to the “nine-dash line” and China’s claim to historic rights, the arbitral tribunal found that China’s claims to historic rights with respect to the maritime areas encompassed by the “nine-dash line” are contrary to UNCLOS and without lawful effect to the extent that they exceed the limits of China’s maritime entitlements under UNCLOS. With regard to the legal status of features, the arbitral tribunal found that all of the features in Scarborough Shoal and the Spratly Islands (including Itu Aba Island [Taiwanese name: Taiping Dao]) have no EEZ or continental shelf. With regard to the legality of Chinese activities, the tribunal found that China has unlawfully prevented Filipino fishermen from engaging in traditional fishing at Scarborough Shoal, violated its obligations to protect the marine environment through its large-scale land rejections, artificial island-building, and other activities, violated its obligations pertaining to navigation safety by virtue of the dangerous navigation by its law enforcement vessels, breached the Philippines’ sovereign rights through its land reclamation at Mischief Reef, and violated its obligations by aggravating and extending the disputes through its dredging, airstrip construction, and other activities following the commencement of arbitral proceedings.

The issues surrounding the South China Sea are a matter of concern for the whole international community, and are directly related to the peace and stability of the Asia-Pacific region. As such, attention will continue to be paid to trends in the countries concerned, as well as the direction of dialogues aimed at the resolution of the issues.
dialogue on security issues. Furthermore, ASEAN has made efforts to improve the security environment in the region and promote mutual trust, for example, by holding the ASEAN Militaries’ Humanitarian Assistance and Disaster Relief Table-Top Exercise (AHR). In addition, ASEAN attaches importance to expanding its relations with countries outside of the region. It holds the ASEAN Defense Ministers’ Meeting Plus (ADMM Plus), a platform that adds eight non-ASEAN countries including Japan to ADMM, and holds HA/DR exercises. Moving forward, ASEAN member states are expected to further develop such initiatives as dialogues, HA/DR exercises, and expansion of relations with non-ASEAN countries, in accordance with the principle and concepts of APSC.

See>> Part I, Chapter 3, Section 3-3 (8) Southeast Asia

53 In addition to the framework of the ADMM Plus, defense ministers’ meetings are held between the United States and ASEAN, China and ASEAN, and Japan and ASEAN. In April 2014, a U.S.-ASEAN defense ministers’ meeting was held in the United States for the first time.

54 In May 2015, the fourth ARF Disaster Relief Exercise was held in Malaysia. The exercise was participated by more than 2,000 personnel from ARF member countries, including co-organizers Malaysia and China as well as Japan, the United States, Australia, and ASEAN member states.