Section 3 China

1 General Situation

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 are 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, making personnel and financial contributions to UN PKOs and 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 continues to be 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.

China faces various problems domestically including human rights issues. 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 tended to slowdown in its economic growth. In the future, China is also expected to face issues associated with the rapid aging of the population, including pension 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, since 2014, China enacted laws that covers not only security from external threats, but also includes culture and society as a part of security. Those laws include the Anti-Spy Law in November 2014, a new National Security Law in July 2015, an Anti-Terrorism Law in January 2016 to strengthen state control, a strengthened Law on Management of Domestic Activities of Overseas Non-governmental Organizations in January 2017, and the National Intelligence Law in June 2017 to strengthen domestic espionage prevention mechanisms under its “holistic view of national security.”

The “anti-corruption” movement following the launch of the Xi Jinping leadership has made inroads under the policy of cracking down on both “tigers” and “flies,” with severe charges of corruption on people including prominent leaders of the Party and military, such as Politburo Standing Committee member Zhou Yongkang.

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1 According to an announcement by the National Bureau of Statistics of China, the growth rate of the Gross Domestic Product (GDP) for the full year of 2017 was 6.9% compared to the previous year. The figure exceeded the target of “around 6.5%” set by the Chinese government, but remained low, similar to the previous year 2016 when the growth rate marked 6.7%.
former CPC Politburo member Sun Zhengcai, former CMC Vice Chairmen Guo Boxiong and Xu Caihou, and former CMC members Zhang Yang and Fang Fenghui. In his remarks at the 19th National Congress of the CPC in October 2017, General Secretary Xi spoke about “strict governance over the Party,” stating that “corruption is the greatest threat our Party faces” as well as suggesting that he will continue to crack down on corruption within the Party and the military.

Through these developments, the Party has demonstrated its intention and made unprecedented efforts in recent years to further bolster the power foundations of General Secretary Xi in the CPC. For example, it was decided at the 19th National Congress to incorporate the “thoughts,” namely the political philosophy, under the name of General Secretary Xi Jinping into the Party constitution as a guideline. This was the first time since Chairman Mao Zedong that a leader had their name in a guideline before retirement. Moreover, at the first plenary session of the 13th National People’s Congress held in March 2018, a resolution was adopted to revise the constitution and abolish term limits for China’s presidents, which indicates that Xi Jinping is further consolidating power as president. Impacts on the military of these actions and future relevant developments are to be watched for.

2 Military Affairs

1 General Situation

For over the past 25 years, China has sustained large increases in its defense budget, and has broadly and rapidly reinforced its military forces, mainly its nuclear and missile forces as well as its Navy and Air Force. Along with such efforts, it is understood that China is strengthening its so-called “A2/AD” capabilities.

In addition to traditional strengthening of military capabilities, over the past few years, in particular, China has been trying to develop a new form of practical operational capabilities. The military reforms with a goal of creating a practical military, have been steadily and rapidly making progress since its beginning at the end of December 2015. Among them, China emphasizes information warfare to securely obtain information superiority as one of its asymmetric military capabilities. China is considered to be rapidly developing its capabilities in electronic warfare and cyberspace with the aim of confusing enemy command systems in conflict situations. In addition, China is working to improve joint operational capabilities, enhance capabilities for distant power projection, conduct practical training, cultivate and acquire personnel for operations of informatized forces, improve the foundation of its domestic defense industry, and ensure law-based governance on the military.

The Chinese military leadership has emphasized to continue to improve the Chinese military’s operational capabilities, exhibiting the results of its recent 5-year activities such as the “struggle” against the Senkaku Island, which is an inherent territory of Japan, the establishment of the “East China Sea Air Defense Identification Zone (ADIZ),” and its Navy and Air Force’s “regular patrols.” Although it is not necessarily clear what specific activities these examples indicate, there is a high probability that it is not only planning to make such activities routine, but also further expand and intensify them both qualitatively and quantitatively, given that the Chinese military is rapidly expanding and intensifying activities in the areas surrounding Japan, such as the East China Sea and western Pacific Ocean. The policy stated at the 19th National Congress in October 2017 to speed up by 15 years the achievement of the third stage of the “three-stage development strategy” was declared in the past, can be considered a decision based on development exceeding China’s own assumptions on the pace of the modernization of the military and military activities. It is possible that military modernization efforts to strengthen the practical operational capabilities of the military will be further accelerated, considering General Secretary Xi

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2 The article published in the People’s Daily November 14, 2017 by CMC Vice Chairman Xu Qiliang.
Jinping’s strengthening of his power foundation within the CPC and further strengthening of his authority as the head of the Military Commission of the Central Committee of Communist Party of China.

China, particularly over maritime issues where its interests conflict with others, continues to act in an assertive manner based on its own assertions incompatible with the existing international order, including attempts to change the status quo by coercion, where there is a potential danger to lead to unexpected situations. Additionally, as for the acts to change the status quo by coercion, China remains poised to fulfill its unilateral demands without compromise, including making steady efforts to turn its acts into fait accompli.

At the same time, China recently has also shown interest in efforts to avoid and prevent unexpected contingencies in sea areas and in airspace.

Considering these situations, there is a strong concern, in international society including Japan, over the issues including the rapid modernization of the military capabilities and improvement of the operational capabilities as well as the following China’s unilateral escalation of activities surrounding Japan, together with the lack of transparency in its military and security affairs. Accordingly, it is necessary to pay close attention to the issues.

## 2 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 new changes in 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 interests as a result of development; and to provide strong assurances for realizing the “Chinese dream” of the great revival of the peoples of China. China contends that these defense policies are defensive in nature. Furthermore, China seems to emphasize 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 of military struggle with political, diplomatic, economic, cultural, and legal endeavors.

China has employed a policy to ensure to establish the “system of modern military power with Chinese characteristics,” aiming at informatizing the military based on its military strategy to follow the development trend of the military all over the world observed in the Gulf War, the Kosovo War, the Iraq War and so on, and to win informatized local wars. Dealing with a Taiwan contingency is believed to be a top priority in China’s efforts to strengthen the 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 is steadily enhancing operational capabilities in more distant waters.

As for future indicators of the modernization of the military, in his remarks to the 19th National Congress in October 2017, General Secretary Xi Jinping proclaimed the goals of seeing that mechanization is basically achieved, IT application has come a long way and strategic capabilities have seen a big improvement by the

### Three Warfares

China amended the Regulations of the PLA on the Political Work in December 2003 to add Media, Psychological, and Legal Warfares to the PLA’s mission. They are collectively referred to as the “Three Warfares.” U.S. DoD explains these warfares as follows: (1) Media Warfare is aiming at influencing domestic and international public opinion to build public and international support for China’s military actions and to dissuade an adversary from pursuing policies perceived to be adverse to China’s interests; (2) Psychological Warfare seeks to undermine an enemy’s ability to conduct combat operations through psychological operations aimed at deterring, shocking, and demoralizing enemy military and supporting civilian personnel; and (3) Legal Warfare uses international and domestic laws to gain international support and manage possible repercussions of China’s military actions.

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3 For example, regarding the so-called “nine-dash line” asserted by China in the South China Sea, “historic rights” claimed by China were rejected by the Philippines-China arbitration (July 2016). Also, in recent years, China continues to use its own interpretations, such as those of the United Nations Convention on the Law of the Sea (UNCLOS). It has been noted that China is developing arguments that attempt to restrict reportedly military activities of other countries in its exclusive economic zone (EEZ). For instance, the Chinese government announced in a statement by the Ministry of Foreign Affairs on November 26, 2010 that it opposed to unsanctioned military activities by any country in China’s EEZs.

4 The strategic concept of active defense is seen as the essence of the CCP’s military strategic concept. It upholds the principles of defense, self-defense, and “post-emptive strike” (suppress the adversary after it attacks), and maintains that “We will not attack unless we are attacked, but we will surely counterattack if attacked.”

5 See the defense white paper “China’s Military Strategy” (May 2015).
year 2020, that by 2035 the modernization of its national defense and its forces is basically completed, and that by the mid-21st century the people’s armed forces have been fully transformed into world-class forces. These goals are said to be ahead of the target of the third stage of the “Three Stage Development Strategy,” namely the basic modernization of the national defense and the forces by the middle of the 21st century, and it appears that on further acceleration of military power is to be seen as China’s power grows.

## 3 Military Transparency

China has not disclosed specific information such as 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 its 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” nearly every two years since 1998. China also conducts numerous dialogues with national defense authorities of other countries. A spokesperson at the Chinese Ministry of National Defense has been giving monthly press conferences 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, but on the other hand as efforts to strengthen “Media Warfare.”

However, China has not provided a detailed breakdown of its national defense spending. Moreover, in China’s defense white papers released after 2013, the contents have included limited topics. The papers has made no reference to national defense spending that was described in previous defense white papers, and the overall description has decreased. In this respect, as transparency is declining, 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 different from the actual 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 incidents such as that of a Chinese naval vessel directing its firecontrol radar at an MSDF destroyer in January 2013, both the Chinese Ministry of National Defense and Ministry of Foreign Affairs gave explanations which were inconsistent with the facts; in this case they have denied the use of the radar itself. With regard to the incident in which Chinese fighters flew abnormally close to MSDF and ASDF aircraft (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.” Particularly in 2016, China repeatedly made claims that are contrary to the fact. In the case where SDF aircraft scrambled against Chinese aircraft, China claimed that the SDF aircraft “conducted interference at close distance and shot IR flares, endangering the safety of the Chinese aircraft and its crew.” The submerged transit of a Chinese Navy submarine through Japan’s contiguous zone around the Senkaku Islands was confirmed in January 2018, but China did not acknowledge this.

In recent years, amid the significant changes in the environment surrounding the China’s 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 influential power on foreign policy decisions has been changing. Attention is to be paid to such situations also in terms of crisis management.

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6 See Part III, Chapter 2, Section 1-4 for examples of dialogue with Japan.
7 The seven departments are: then PLA General Political Department; then PLA General Logistics Department; then PLA General Armaments Department; PLA Navy; PLA Air Force; then PLA Second Artillery Corps; and People’s Armed Police.
8 The defense white papers “China’s National Defense in 2008” and “China’s National Defense in 2010” provided a breakdown of personnel expenses, training and maintenance costs, and equipment costs for the active force, reserve force, and militia, limited to the FY2007 and FY2009 defense budget expenditures, respectively, but has not offered an explanation of them recently.
9 For example, on December 10, 2016, the Chinese Ministry of National Defense announced, “When Chinese Air Force aircraft mobilized for regular blue water training in the Western Pacific and passed through the Miyako Strait (sic) airspace, the Japanese SDF mobilized two F-15 fighters and conducted interference against the Chinese aircraft at close distance and shot IR flares, endangering the safety of the Chinese aircraft and its crew.” On October 28 of the same year, the spokesperson of the Chinese Ministry of National Defense made a similar announcement. See Part 2-6 (3) of this section.
10 When asked about the submarine’s transit at a regular press conference held by China’s Ministry of Foreign Affairs on January 16 2018, the spokesperson replied, “I do not have information about the circumstances of submarines.”
Chinese false explanations are also evident in China’s coercive, as well as rapid and large-scale development on features in the South China Sea. At the press conference after the U.S.-China Summit Meeting in September 2015, President Xi Jinping stated, “China does not have any intention to pursue militarization” in the South China Sea, but has been advancing militarization.

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 to explain its military activities according to the facts and 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 and accurate information on its defense policies and military capabilities.

Chapter 2
Defense Policies of Countries

4 National Defense Budget

China announced that its national defense budget for FY2018 was approximately 1,107 billion yuan. This initial budget amount represented a growth of approximately 8.3% (approximately 84.4 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 every year since FY1989. The nominal size of China’s announced national defense budget has grown approximately 51-fold in the 30 years since FY1989 and approximately 2.7-fold in the 10 years since FY2008. 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 is to 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 foreign equipment procurement costs and research and development (R&D) expenses.

5 Military Posture

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

(1) Military Reform

China is currently carrying out reforms of the PLA which are seen as the largest in the country’s history.

In November 2015, President Xi unveiled China’s official position on a specific direction of the military reforms for the first time, announcing that the military reforms would be carried out by 2020, which would include: establishment of “theaters” and a command structure for joint operations as well as reduction of troops by 300,000 personnel.

Military reforms have rapidly taken shape in recent years. By the end of 2016 from what are called the “neck up” reforms, namely the center of the military level
up, are reported to be basically complete. Specifically, they abolished the PLA’s seven Military Regions and created five new theaters responsible for command of operations, namely, the Eastern Theater, Southern Theater, Western Theater, Northern Theater, and Central Theater. In addition, they also formed the PLA Army (PLAA) Headquarters, Rocket Force (PLARF), Strategic Support Force (PLASSF), and Joint Logistics Support Force. Moreover, 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. Since 2017, military reforms have been making steady progress with the start of what are called full-scale “neck down” military reforms, namely the field level. For example, the expansion of the organization of the Navy Marine Corps, whose mission include amphibious landing operations, the unification of PAP leadership and command system under the CMC, the reorganization from 18 Group Armies to 13, and reform of military schools was confirmed after 2017. In March 2018, the Chinese Ministry of National Defense announced that a reduction of 300,000 personnel had been basically completed.

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

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18 Shenyang Military Region, Beijing Military Region, Jinan Military Region, Nanjing Military Region, Guangzhou Military Region, Chengdu Military Region, and Lanzhou Military Region.
19 The PLA was considered a large organization of the Army, and therefore, a headquarters of the Army as a service did not exist. The ongoing reforms have given the Navy, Air Force, and Rocket Force the same status as the Army.
20 The establishment of PLARF is seen as a de facto elevation of the Second Artillery Force.
21 PLASSF is identified as a new force for maintaining national security. Reportedly it is in charge of cyber, outer space, and electronic warfare capabilities.
22 The Joint Logistics Support Force is considered to be the first Chinese command dedicated to joint logistics support for the armed forces.
management from peacetime. In addition, it has been noted that the reorganization of the headquarters is a means of tackling corruption at the center of the military by strengthening the direct leadership of the CMC and its Chairman and decentralizing the leading organs. The total number of members of the CMC has continued to be reduced in recent years, with seven newly elected members at the 19th National Congress in October 2017, including President Xi. Since it has been noted that many people who have deep connections to President Xi were appointed, it is thought that President Xi’s command of the CMC, and thus the PLA, is to be further strengthened.

While China is expected to continue these reforms, there are views that dissatisfaction is growing within the military because of the rapid military reforms. Attention is to be paid to the progress of the reforms as well as their outcomes, including their effects on the security of Japan and the rest of the region.

(2) Nuclear and Missile Forces

China has made independent efforts to develop nuclear capabilities and ballistic missile forces since the mid-1950’s, seemingly with a view to ensure deterrence, supplementing its conventional forces, and maintain its voice in the international community. It is regarded that China’s nuclear strategy is to deter a nuclear attack on its territory 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 PLA Rocket Force was newly established with equal status as the Army, Navy, and Air Force as part of the ongoing military reforms, suggesting that China will continue to attach importance to its nuclear and ballistic missile forces.

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, employing maneuverable warheads and multiple ones, and by other means.

China’s main ICBM strategic nuclear asset had been the fixed-site liquid-propellant DF-5 missile. However, it has been suggested that China has in recent years deployed the DF-31, which is a mobile-type ICBM with a solid propellant system mounted onto a transporter-erector-launcher (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. China is also viewed as developing a new ICBM known as DF-41. 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.

Furthermore, it has been pointed out that China is also developing an extended-range SLBM, also called JL-3, and a new SSBN to carry it.

As for the IRBM/MRBM covering the Asia-Pacific region including Japan, China has the mobile solid-propellant DF-21 and DF-26, which can be transported and operated on a TEL. These 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 a “second-generation ASBM” developed on the basis of

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23 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.).

24 There were 11 members in both the 17th (2007-2012) and 18th (2012-2017) CMC.

25 For example, it has been noted that Mao Hua, newly elected to the CMC, has close connections to President Xi having worked under him when Xi was part of the government of Fujian Province.

26 Veterans and others held demonstrations in front of the Chinese Ministry of National Defense in October 2016 and near the building that houses the CCP Central Commission for Discipline Inspection in February 2017. Some view that these demonstrations and dissatisfaction with the military reforms are interrelated.

27 In February 2018, in response to the announcement of the Nuclear Posture Review by the United States, the Chinese Defense Ministry stated that “China adheres to the policy of non-first-use of nuclear weapons at any time and under any circumstance. Under no circumstances will China use or threaten to use nuclear weapons against non-nuclear-weapons states or nuclear-weapons-free zones.”

28 On the other hand, the U.S. DoD’s “Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China” (June 2017) states that there is some ambiguity over the conditions under which China’s “no first use” policy would or would not apply.

29 For differences between the liquid-propellant system and solid-propellant system, see Chapter 2, Section 2-1-3 (3).

30 The U.S. DoD’s “Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China” (June 2017) indicates that “China continues to produce the JIN-class SSBN, with four commissioned and others under construction” and that the SSBNs, which are equipped with JL-2 SSBNs, “are the country’s first viable sea-based nuclear deterrent.”


32 DF-26 is called the “Guam killer” (Annual Report of the U.S.-China Economic and Security Review Commission [November 2015]).
the DF-21D, and it was announced in April 2018 that it had “formally joined the order of battle.” 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, 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 operating these ASBMs and long-range cruise missiles 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 also cover a part of the Southwestern Islands including the area surrounding the Senkaku Islands, which are inherent territories of Japan.

Furthermore, in order to acquire strike capability that will be able to penetrate layered missile defenses, China is considered to be rapidly developing the hypersonic vehicle WU-14, which is launched by a ballistic missile. Moreover, it has also been pointed out that progress is being made on the development of the DF-17 missile capable of carrying hypersonic weapons.

These weapons are said to travel at ultra-high speed and be difficult to intercept by a missile.

China announced that it conducted tests on midcourse missile interception technology in January 2010, January 2013, July 2014 and February 2018. Attention is to be paid to China’s future trends in ballistic missile defense.

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33 China reportedly conducted flight tests of its WU-14 in January, August, and December 2014, June, August, and November 2015, and April 2016 (total: 7 times). Some reports refer to it as DF-25.

34 DF-17 flight tests were reported to have been conducted on November 1 and 15, 2017.

35 In addition to these four 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 Chapter 3, Section 4-2-4.)

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**Fig. I-2-3-2 (Range of Ballistic Missiles from China (Beijing))**

*The figure above is for illustrative purpose, showing the range of each missile from Beijing.*
(3) Ground Forces

China has the third largest ground forces in the world, next to India, with approximately 980 thousand personnel. Since 1985, China has continuously sought to modernize its military by curtailing the number of personnel and streamlining organizations and systems through reforms, including those currently under way, in order to improve the capability while pursuing the downsize, multifunctionality, and modularization of military units. Specifically, it is believed to be improving mobility using measures such as switching from the past regional-defense model to a full mobile model, and working to motorize and mechanize its infantry. China is also believed to be strengthening its airborne troops (belonging to the Air Force), amphibious forces, special operations forces, and helicopter units. China is undertaking efforts to build a command system for improving its joint operational capabilities and operational efficiency, and is carrying out reforms to improve its logistical support capabilities.

China has annually conducted mobile exercises that cut across multiple regions such as Stride, Firepower, and Sharp Sword. They are aiming at verifying and improving the capabilities necessary to deploy army troops to remote areas, such as long-distance mobility capabilities of the army, and logistical support capabilities that include mobilizing militias and public transportation. Furthermore, the Army and Air Force reportedly took part in the joint exercise, Southern Land 2017, and since 2014, have conducted combined military branch and service exercises under Joint Action. These suggest that China intends to improve its joint operational capabilities as well.

(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 750 ships (including approximately 70 submarines), with a total displacement of approximately 1.79 million tons. China’s naval forces are rapidly modernizing, and the Chinese Navy promotes the mass production of its indigenous Yuan-class submarines with superior quietness, as well as surface combatant ships with improved air defense and anti-ship attack capabilities. The Navy is also developing Renhai-class destroyers, the largest in the Navy, indicated to be equipped with vertical launch systems (VLSs) capable of launching the latest YJ-18 anti-ship cruise missile. It has also been noted that its submarines are being developed to be capable of operating in submerged mode for long distances.

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36 Army units belonging to the Northern Theater, believed to possess amphibious operation capabilities, are said to have been transferred to the Navy in February 2017. However, no movements of amphibious troops belonging to the Army in the Eastern Theater have been disclosed.

37 It was reported in June 2017 that China launched the first Renhai-class destroyer, the largest in the Chinese Navy at 10,000 tons, and had launched a total of four vessels by July 2018. The U.S. DoD's Annual Report to Congress: Military and Security Developments Involving the People's Republic of China (June 2017) calls this destroyer a cruiser.
Fig. I-2-3-3  Deployment and Strength of the People’s Liberation Army

Notes: 1. ● Theater headquarters  ■ Theater Army organization
2. Theater boundaries have not been officially announced. The above map is prepared based on U.S. DoD reports, media reports, etc.

<table>
<thead>
<tr>
<th>Ground forces</th>
<th>China</th>
<th>Taiwan (Reference)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total military forces</td>
<td>Approx. 2 million troops</td>
<td>Approx. 220,000 troops</td>
</tr>
<tr>
<td>Group troops</td>
<td>Approx. 0.98 million troops</td>
<td>Approx. 130,000 troops</td>
</tr>
<tr>
<td>Tanks, etc.</td>
<td>Type-99/A, Type-98/A, Type-96/A, Type-88/A and others Approx. 7,400 vehicles</td>
<td>M-60A, M-48A/H and others Approx. 1,200 vehicles</td>
</tr>
<tr>
<td>Warships</td>
<td>Approx. 750 vessels / 1,787,000 tons</td>
<td>Approx. 390 vessels / 205,000 tons</td>
</tr>
<tr>
<td>Airships</td>
<td>Approx. 80 vessels</td>
<td>Approx. 20 vessels</td>
</tr>
<tr>
<td>Aircraft carriers, destroyers, and frigates</td>
<td>Approx. 70 vessels</td>
<td>4 vessels</td>
</tr>
<tr>
<td>Submarines</td>
<td>Approx. 15,000 troops</td>
<td>Approx. 10,000 troops</td>
</tr>
<tr>
<td>Marines</td>
<td>Approx. 2.850 aircraft</td>
<td>Approx. 500 aircraft</td>
</tr>
<tr>
<td>Modern fighters aircraft</td>
<td>J-10 x 370 Su-27/U-11 x 329 Su-30 x 97 Su-35 x 14 J-15 x 20 J-16 x 16 J-20 x 6 (under tests) (Fourth-/fifth-generation fighters (total): 852)</td>
<td>Mirage 2000 x 55 F-16 x 144 Ching-kuo x 128 (Fourth-generation fighters (total): 327)</td>
</tr>
<tr>
<td>Population</td>
<td>Approx. 1.39 billion</td>
<td>Approx. 24 million</td>
</tr>
<tr>
<td>Term of service</td>
<td>2 years</td>
<td>1 year*</td>
</tr>
</tbody>
</table>

*For those born in 1994 or later, the term is 4 months
of carrying anti-surface cruise missiles. In addition, the Navy is increasing the number of large landing ships and supply ships. In September 2017, a supply ship was commissioned with a mission to supply the aircraft carrier group.

With regard to aircraft carriers, following the commissioning of the first aircraft carrier Liaoning in September 2012, it appears that China is continuing to train carrier-based aircraft pilots using domestic J-15 carrier-based fighters and conducting takeoff and landing tests mainly in the Bohai and Yellow Seas. In December 2016, the Liaoning participated in its first comprehensive live action, live fire exercise in the Bohai Sea with other vessels, including live firing by carrier-based fighters. Furthermore, later in the same month, it was confirmed that the carrier advanced, together with multiple vessels, to the Pacific Ocean and the South China Sea. It was announced that the “Liaoning” advanced to the Pacific Ocean and conducted opposing trainings including carrier-based fighters after its participation in a naval review in the South China Sea from March to April 2018. These activities are believed to indicate a further expansion of the status of China's maritime militia under international law is said to be unclear. In November 2015, Admiral Scott H. Swift, Commander of the U.S. Pacific Fleet (at that time), emphasized on the necessity of “fully exerting the overall power of the military, police and militia” on the seas, attention is to be paid to these asymmetrical forces, too.

(5) Air Forces

The Chinese Navy and Air Force have approximately 2,850 combat capable aircraft in total. As for the fourth generation fighters, China has imported from Russia the Su-27 fighter and the Su-30 fighter having anti-surface and anti-ship attack capabilities. In November 2015, China reportedly signed an agreement with a Russian state-run military company to purchase 24 Su-35 fighters, considered the newest fourth generation fighter, and has received the delivery of total 14 fighters by December 2017. China is also developing its own domestic modern J-15 carrier-based fighter

![J-15 carrier-based fighter](image)

- Main armament: Air-to-air missiles, air-to-ship/surface missiles
- Speed: Unknown
- <Description>
  - (estimate)
  - Carrier-based aircraft on the aircraft carrier Liaoning. It has many features in common with the J-11 and Su-33 fighters.

38 In November 2013, the “Liaoning” advanced to the South China Sea for the first time and conducted test navigation there. The carrier is said to have advanced into the South China Sea between June and July 2017 and January 2018.
39 It is suggested that China is conducting research on the electromagnetic aircraft launch system in order to overcome the limitations of the ski-jump configuration, namely, few weapons and little fuel can be carried on the carrier-based fighter and fixed-wing early warning aircraft cannot be operated. Additionally, in February 2018, major Chinese conglomerate China Shipbuilding Industry Corporation announced for the first time the construction of a nuclear-powered aircraft carrier at its development strategy online on its website, but later deleted the text.
40 China’s defense white paper “China’s Military Strategy” (May 2015) identifies “offshore waters defense and open seas protection” as a strategy for enhancing the military capabilities of the Navy. According to the white paper, “the traditional mentality that land outweighs sea must be abandoned” and China will aim to “develop a modern maritime military force structure.” As implied by these references, it is deemed that China attaches importance to its maritime strategy.
41 In April 2013, when President Xi Jinping visited the maritime militia of Hainan Province to give encouragement, he reportedly gave instructions to the maritime militia to collect information on distant seas and actively conduct island construction activities and stated, “you are playing the role of the vanguard in protecting our maritime interests.”
42 For example, when Chinese naval and other vessels obstructed the U.S. Navy surveillance ship Impeccable on the high seas on the South China Sea in March 2009, maritime militia were said to be aboard the fishing boat that tried to take away a sonar from Impeccable. It is also pointed out that when the deep-water drilling rig Haiyang Shiyou 981 conducted prospective drilling to the south of the Paracel Islands from May to July 2014, steel-hull fishing boats manned by maritime militia also arrived as an escort fleet.
43 In August 2016, when Defense Minister Chang Wanquan (at that time) made an observation tour of the maritime militia equipment in Zhejiang Province, he gave instructions on the necessity of “fully exerting the overall power of the military, security and militia from the perspective of ensuring the requirement to ‘win the battle.’”
44 The status of China’s maritime militia under international law is said to be unclear. In November 2015, Admiral Scott H. Swift, Commander of the U.S. Pacific Fleet (at that time), emphasized on the occasion of his meeting with then Admiral Wu Shengli, the former Commander of the PLA Navy, the importance of China’s forces including maritime enforcement agencies and maritime militia acting professionally according to international law.
fighters. China also has started the mass production of the J-11B fighter, which is allegedly a copy of the Su-27 fighter, and the domestic J-10 fighter. China’s domestic J-16 fighter, thought to be a copy of Russia’s Su-30 fighter, has started test flights at operational units. China’s domestic J-15 carrier-based fighter thought to be modeled on Russia’s Su-33 carrier-based fighter is carried on the aircraft carrier Liaoning. Additionally, China is considered to have started deploying the J-20 fighter, said to be a next-generation fighter, to operational units, and is also developing the J-31 fighter.45

China is also continuing the modernization of its bombers said to have ground attack capabilities, and the Chinese Air Force has increased the number of H-6K bombers that are considered to be able to operate anti-surface cruise missiles with nuclear warheads. The Chinese Air Force is also developing a new strategic bomber called the H-20.

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

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**J-10 fighter**

![J-10 fighter](https://example.com/j10.jpg)

*<Specifications, performance>*
- Maximum speed: Mach 1.8
- Main armament: Air-to-air missiles (maximum firing range 70 km), air-to-ship missiles (maximum firing range 120 km)

*<Description>*
- China’s first main fighter produced domestically. First deployed in 2003, and it is reportedly in mass production.

**Aircraft carrier “Liaoning”**

![Aircraft carrier “Liaoning”](https://example.com/liaoning.jpg)

*<Specifications, performance>*
- Full load displacement: 59,439 tons
- Speed: 30 knots (approximately 56 km/h)
- Onboard aircraft: 24 fighters etc.
- Main armament: Ship-to-air missiles (maximum firing range 9 km), anti-submarine rockets

*<Description>*
- China’s first aircraft carrier, purchased from Ukraine as unfinished carrier and refurbished. In December 2016, it was first confirmed passing between the main island of Okinawa and Miyako Island and advancing to the Pacific Ocean. The flying (including takeoffs and landings) of aircraft presumed to be carrier-based fighters in the Pacific Ocean was first confirmed in April 2018.

**J-20 fighter**

![J-20 fighter](https://example.com/j20.jpg)

*<Specifications, performance>*
- Maximum speed: 3,063 km/h

*<Description>*
- A fifth-generation stealth fighter jet. The Chinese Ministry of National Defense announced in February 2018 that the J-20 has started to be delivered to operational units.

**KJ-2000 AWACS**

![KJ-2000 AWACS](https://example.com/kj2000.jpg)

*<Specifications, performance>*
- Details unknown

*<Description>*
- Airborne early warning and control (AWAC) aircraft. A Russian IL-76 strategic airlifter mounted with a radar dome.

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45 It is suggested that in the future, the J-31 fighter could be turned into a carrier-based fighter or be exported.
and KJ-2000 Airborne Early Warning and Control System.\(^{46}\) Furthermore, in July 2016, China started the deployment of the indigenously developed Y-20 large cargo aircraft in order to enhance its transportation capability. China is also rapidly developing a variety of domestic unmanned aerial vehicles (UAV),\(^{47}\) including those capable of long-duration 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 deployed and are actively exported. In fact, it is suggested that the Chinese Air Force has created an unmanned aerial vehicle unit with an attack role. In addition to the frequent use of UAVs for reconnaissance and other purposes in its surrounding sea areas and airspace, domestically, it is noted that China is working to improve “Swarm” technology\(^{48}\) to operate a large number of low-cost UAVs.

Judging from the modernization of the Air Force, it is believed that China is not only improving its air defense capabilities for its national territory, but also making steady efforts to build up capabilities for air superiority and anti-surface and anti-ship attacks in further distant areas and for long-range transportation.\(^{49}\)

(6) Information operations capabilities\(^{50}\)

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. As such, China seems to recognize the importance of taking an information mastery in wartime, when it must protect its own information systems and networks while neutralizing those of its adversaries at the same time. China is considered to be emphasizing information operational capabilities for these operations. In fact, China stated that “outer space and cyber space have become new commanding heights (capture point) in strategic competition among all parties,” and established the Strategic Support Force (PLASSF) at the end of 2015 with a mission pointed out to be responsible for outer space, cyberspace, and electronic warfare.

China is said to have developed its space program in the shortest time in the world. In December 2016, China published the white paper China’s Space Activities, which emphasizes the peaceful use of outer space but does not deny its use for military purposes.\(^ {51}\) In addition, it has been pointed out that administrative organizations and state-owned enterprises involved in the use of space in China have close ties with the Chinese military, and in fact, it is considered that China is planning to improve its military capabilities in space.\(^ {52}\) Examples of projects being advanced by China include the launch of the positioning satellites called “BeiDou,” also known as the Chinese version GPS, to develop global satellite positioning system by 2020. Another example is an Earth observation satellite that is suggested to possibly have a role as a military reconnaissance satellite. Moreover, China is thought to be developing weapons including laser weapons, anti-satellite weapons and anti-satellites satellites,\(^ {53}\) in order to restrict and interfere with the use of space-based assets by adversaries in wartime. China has

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\(^{46}\) The AG-600, which China is developing indigenously with the first flight in January 2018, will be the largest amphibious aircraft in the world. Although it is claimed that it will be used for civilian purposes such as natural resource research, the possibility of its conversion to military use has been pointed out. It has also been reported that China and Ukraine signed an agreement for consultations concerning the large transport aircraft An-225 for export to and production in China.

\(^{47}\) UAVs being developed by China include the HALE UAV “Xianglong” (Soar Dragon), considered the “Chinese Global Hawk;” the BZK-005, a UAV that can be used for multiple purposes, such as reconnaissance, communications relay, and signals intelligence; the GJ-1 “Wingloong” attack UAV; and the CH-4 “Caihong.”

\(^{48}\) State-owned enterprise China Electronics Technology Group Corporation (CETC) announced in November 2017 that it demonstrated “Swarm” technology using 119 UAVs, breaking the U.S. record. It is said that the use of “Swarm” technology with low-cost UAVs makes attacks on aircraft carriers and fighters possible.

\(^{49}\) The defense white paper “China’s Military Strategy” (May 2015) identifies “building airspace capabilities and conducting offensive and defensive operations” as a strategy for enhancing the military capabilities of the Air Force.

\(^{50}\) While the definition of information operations differs depending on the country, the definition of “actions using comprehensive electronic war, computer and network operations, psychological operations, and other means to attack an enemy’s behavior or counter attack with resistance” has been used internally by the Chinese military.

\(^{51}\) “China’s Space Activities 2016” states the objective of space exploration as utilizing outer space for peaceful purposes to promote human civilization and social progress and provide benefits to all humankind. At the same time, it also includes references to the demands of national security.

\(^{52}\) The Worldwide Threat Assessment (May 2017) by the U.S. Director of National Intelligence pointed out that China is continuing to improve its military and intelligence capabilities in space.

\(^{53}\) The Worldwide Threat Assessment (May 2017) by the U.S. Director of National Intelligence pointed out that “its [China’s] ground-launched ASAT missiles might be nearing operational service within the PLA.”
Modernization of China’s sea and air military capabilities
(update ship volume in the diagram)

China is rapidly modernizing military capabilities with fast-growing national defense budgets. Modernization of maritime military capabilities aims to establish the ability to conduct operations in more distant waters. Specifically, China continues to reinforce new naval vessels and new submarines. The Liaoning, China’s first aircraft carrier, went on its first excursion in the Pacific Ocean in December 2016, and the first home-built aircraft carrier launched in April 2017 and conducted its first sea trial in May 2018 and will reportedly begin service within the next 2-3 years. In modernization of air force capabilities, China hopes to improve air defense for the mainland and establish an ability to engage in combat at greater distances. Specifically, it has increased 4th-generation fighters and has announced the start of deployment for the J-20, a next-generation fighter plane, in operational forces. China is also developing, producing, and deploying a wide range of military planes, including fighters, bombers, AWACS, and cargo aircraft. While China explains that its advances do not pose a threat to any country, its rapid modernization of military capabilities is taking place without a detailed future image or clarification of necessity and this is a security concern for the region including Japan and the international community as a whole.

Naval Forces

Air Forces

announced that it will “improve capabilities in support of the awareness of the state of cyberspace, cyber defenses, national cyberspace warfare.” Indeed, major military training since 2008 has been noted to always contain elements such as cyber strategy, including both attack and defense. Recent training has reportedly been successful in interfere with the command and communication system of the adversary force. It is said that not only Y-8 electronic warfare aircraft frequently flying near Japan, but also some of upgraded J-15 fighters and H-6 bombers have electronic warfare capabilities. Furthermore, some have speculated that China is reinforcing its “A2/AD” capabilities by using cyber attacks to destroy adversary’s networks in the entire region.

See Chapter 3, Section 4 (Outer Space and Security); Chapter 3, Section 5 (Trends in Cyberspace)
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 prioritize the development of joint operations systems. As General Secretary Xi Jinping spoke about creating “strong and effective command of human resources. As General Secretary Xi Jinping appointed commanders of military regions or theater commander. As only army officers had been appointed commanders of military regions or theater of operations until then, it is assumed that progress is being made towards joint operations from the viewpoint of human resources. As General Secretary Xi Jinping spoke about creating “strong and effective command institutions in theaters for joint operations” and enhancing joint operation capabilities at the 19th Party’s National Congress in October 2017, China is thought to continue to prioritize the development of joint operations systems and will make further development.

In recent years, China has been conducting exercises with the aim of developing joint operations systems, such as the three services’ joint exercise (July 2017) in the Eastern Theater, and the military parade with the 90th anniversary of the PLA consisting of theater-based structure with a strong emphasis on the practical military. These exercises are believed to be geared toward building the forces of each military branch for joint operations and implementing joint operations based on the theater command.

(7) Establishment of Joint Operational Posture

In recent years, organizational reforms have been under way to improve joint operations capability. The CMC Joint Operations Command Center is believed to have been established as part of this reform for the CCP to carry out decisionmaking at the highest strategic level. These actions have been continuing during the current military reforms, and five new theaters, joint operation headquarters were established in February 2016. As for assignment of senior military officers, in January 2017, Vice-Admiral Yuan Yubai became the first non-army theater commander. As only army officers had been appointed commanders of military regions or theater of operations until then, it is assumed that progress is being made towards joint operations from the viewpoint of human resources. As General Secretary Xi Jinping spoke about creating “strong and effective command institutions in theaters for joint operations” and enhancing joint operation capabilities at the 19th Party’s National Congress in October 2017, China is thought to continue to prioritize the development of joint operations systems and will make further development.

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(6) Waters and Airspace Activities

(1) General Situation

Recently, 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 waters and airspace activities using its sea and air powers both in qualitative and quantitative ways. Specifically in the sea and airspace areas surrounding Japan, Chinese naval vessels, and navy and air force aircraft have been observed conducting training and information gathering activities, as well as naval vessels heading for distant waters such as Indian Ocean. A large number of Chinese government ships that belong to maritime law enforcement agencies and their aircraft have been observed engaging in monitoring activities for the protection of its maritime rights and interests. These activities include:

54 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).
intermittent intrusions into Japan’s territorial waters by Chinese government vessels; intrusions 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 abnormally 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.

**Chapter 3, Section 3 (Maritime Trends)**

**(2) Situation of Activities in Japan’s Surrounding Waters and Airspace**

Chinese Navy vessels and Air Force and Navy aviation have recently escalated their activities in the surrounding sea areas and airspace of Japan. For instance, they are conducting activities based on unilateral claim on the Senkaku Islands, and are expanding their areas of operations including the area surrounding the Senkakus. These raise a great concern to Japan. The number of scrambles by the ASDF against Chinese aircraft has kept high, reaching a new high in FY2016. The Chinese military leadership has emphasized to continue to improve the Chinese military’s operational capabilities, exhibiting the results of its recent 5-year activities such as the “struggle” against the Senkaku Island, which is an inherent territory of Japan, the establishment of the “East China Sea Air Defense Identification Zone (ADIZ),” and its Navy and Air Force’s “regular patrols.” At the same time, it appears that China continues to improve the quality of its activities, and efforts can be seen to build joint operation capabilities to develop a practical military.

**a. Military Activities in the East China Sea (including the areas around the Senkaku Islands)**

Chinese naval vessels have been conducting operations in the East China Sea continuously and actively. Stating its own position regarding the Senkaku Islands, China alleges that patrols by Chinese naval vessels in the sea areas under its jurisdiction are completely justifiable and lawful. Chinese naval vessels have recently tended to expand the sea area of their regular activities to the south, and are continuously operating in the area near Japan’s Senkaku Islands. In June 2016, a Jiangkai I-class frigate of the Chinese Navy entered Japan’s contiguous zone off around the Senkaku Islands. This was the first time a Chinese Navy combatant vessel entered Japan’s contiguous zone around the Senkaku Islands. Furthermore, in January 2018, a **Shang-class submarine** and a Jiangkai II-class frigate passed into the contiguous zone around the Senkaku Islands. This was the first time a submerged Chinese submarine was identified and announced as transiting through these contiguous waters off the Senkaku.

In recent years, Chinese Navy intelligence gathering vessels (AGIs) have also been found conducting multiple...

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55 In FY2016, the number of times that ASDF aircraft scrambled against Chinese aircraft hit a record of 851 times.

56 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.

57 In June 2018, a Japan Coast Guard patrol ship confirmed that the Chinese Navy Anwei-class hospital ship navigated the contiguous zone around the Senkaku Islands.
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. 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.58

China’s air forces are also actively conducting activities in the East China Sea on a routine basis. Their activities include warning and surveillance, Combat Air Patrols (CAP), and training. The area of the activities of PLA aircraft has tended to expand eastward and southward in recent years. As a result of this incremental expansion, PLA aircraft have recently been confirmed conducting activities actively in airspace closer to the main island of Okinawa and the rest of the Southwestern Islands. The intent of the expanded activities of PLA aircraft may be to operate the “East China Sea ADIZ.”59

In May and June 2014, incidents occurred where two PLA Su-27 fighters came abnormally close to MSDF and ASDF aircraft that were conducting normal warning and surveillance activities in the East China Sea. In July 2017, two PLA J-10 fighters reportedly intercepted a U.S. Air Force EP-3 electronic reconnaissance aircraft.60 And in April 2018, an unmanned aerial vehicle presumed to be a Chinese BZK-005 unmanned reconnaissance vehicle was confirmed to have flown over the East China Sea.

Regarding Japan’s airspace over and around the Senkaku Islands, territorial airspace intrusion by a fixed-wing aircraft of the State Oceanic Association (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 2014.61 Recently, it has been confirmed that the scope of the activities of PLA aircraft near the Senkaku Islands has tended to expand in the southward direction. In June 2016, ASDF fighters scrambled against PLA aircraft that flew southward closer to the Senkaku Islands. The Chinese Ministry of National Defense

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**Dongdiao-class AGI**

*<Specifications, performance>*

- Water displacement: 6,096 tons
- Speed: 20 knots (approximately 37 km/h)
- Main armament: 37 mm and 14.5 mm autocannons

*<Description>*

In June 2016, one navigated through Japanese territorial waters near the Kuchinoerabu and Yakushima Islands, subsequently navigated the contiguous zone to Kitadaito Island, and finally navigated back and forth east-west outside the contiguous zone to the south of the Senkaku Islands. It also navigated back and forth outside the contiguous zone to the southeast of the Boso Peninsula in February 2016 and other occasions.

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58 In November 2004, a Chinese nuclear submarine conducted “submerged passage through the territorial sea of another country” in Japanese territorial waters in violation of international law.

59 In November 2016, a spokesperson of the PLA Air Force stated that the PLA Air Force had been continuously conducting patrols of the “East China Sea ADIZ” for the past three years. See 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).

60 See 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).

61 For example, on March 7, 2011, a Chinese Z-9 helicopter believed to belong to the SOA flew as close as approximately 70 m and as low as approximately 40 m above water around the Japanese destroyer Samidare, which was patrolling the waters in the central area of the East China Sea. On April 12, 2012, a Y-12 aircraft believed to belong to the SOA flew as close as approximately 50 m and as low as approximately 50 m above water around the destroyer Asayuki.
released an official announcement stating that SDF aircraft conducted provocations against PLA aircraft. However, SDF aircraft conduct scrambles in accordance with international law and the SDF Law, and it is never true that SDF aircraft conducted provocations against PLA aircraft. Chinese announcements concerning the Japanese response have been one-sided, and it is extremely regrettable that the Chinese side is unilaterally making explanations contrary to the fact, as doing so undermines the Japan-China relationship.

b. Advancements into the Pacific Ocean

Chinese Navy combatant vessels continue to transit the waters near Japan to advance into the Pacific Ocean and return to base with high frequency. The advancement routes are multiplying. Chinese naval vessels have transited the sea area between the main island of Okinawa and Miyako Island, and have been found passing through the Osumi Strait, sea area between Yonaguni Island and Nakanokami Island near Iriomote Island, the sea area between Amamioshima Island and Yokoatejima Island, Tsugaru Strait, and Soya Strait. By diversifying routes in this manner, China appears to be aiming to enhance its deployment capabilities to the open ocean, and considering remarks from high-ranking government officials, it is thought that China is planning to make deployments to the Pacific Ocean sailing through waters near Japan regular activities. Furthermore, considering the nature of the activities it is conducting in distant areas, China is presumably aiming to enhance operation execution capabilities on the open ocean. In December 2016, the aircraft carrier Liaoning navigated the East China Sea together with other vessels and passed the sea area between the main island of Okinawa and Miyako Island to advance to the Western Pacific for the first time. On that occasion, a surveillance helicopter took off from a Jiangkai II-class frigate accompanying the carrier and flew in airspace approximately 10 to 30 km southeast of the territorial airspace over Miyako Island. In April 2018, the aircraft carrier Liaoning and a number of vessels participated in a naval review and training in the South China Sea, and the Chinese Ministry of National Defense announced that they passed through the Bashi Channel and conducted confrontation exercises that included carrier-based fighters. At that time, the MSDF conducting warning and surveillance confirmed aircraft presumed to be carrier-based fighters taking off and landing, and it was the first time what are presumed to be carrier-based fighters were confirmed flying over the Pacific Ocean. The activities are worthy of attention as an indicators of the enhancement of the capabilities of China’s naval forces, including aircraft carriers, and enhancement of its force projection capabilities to distant areas. With a Chinese Navy Shang-class submarine passing submerged from the Pacific Ocean toward the East China Sea from Japan’s contiguous zone northeast of Miyako Island in January 2018, it is thought that submarines also conducted some activities in the western Pacific. In addition, in July 2017, a Chinese Navy Dongdiao-class AGI sailed through Japan’s territorial waters southwest of Matsumae-kojima Island in Matsumae, Hokkaido, and subsequently sailed eastward through Tsugaru Strait and advanced to the Pacific Ocean.

Regarding the advancement of air forces into the Pacific Ocean, the advancement of a Chinese Navy Y-8 early warning aircraft into the Pacific Ocean, passing between the main island of Okinawa and Miyako Island, was confirmed for the first time in July 2013. The advancement of Air Force aircraft into the Pacific was also confirmed in 2015. In 2017, advances into the Pacific Ocean via this airspace became more active, especially after July, with flights totaling 18 passages over the course of a year. This is a significant increase

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62 Regarding the scramble by ASDF fighters against PLA aircraft that flew southward towards the Senkaku Islands on June 17, 2016, the Chinese Ministry of National Defense released the following 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 PLA responded decisively and took measures such as tactical maneuver. Consequently, the Japanese fighter jets flew away after firing infrared jamming shells.”

63 The number of times Chinese Navy combatant vessels have been active in the waters around the Southwestern Islands, Saya Strait and Tsugaru Strait since 2008 is: 3 times (2008), 2 times (2009), 4 times (2010), 5 times (2011), 13 times (2012), 21 times (2013), 14 times (2014), 12 times (2015), 15 times (2016), 12 times (2017), and 4 times (as of the end of May 2018).

64 In March 2017, when Japan announced the transit of Chinese naval vessels between the main island of Okinawa and Miyako Island, a Chinese Ministry of National Defense spokesperson said, “Japan needs to get used to the fact that we will pass through many more times in the future.”

65 In 2017, Chinese military aircraft passed between the main island of Okinawa and Miyako Island once in March, 3 times in July, 5 times in August, 3 times in November, and 6 times in December for a total of 18 times.
from the five flights confirmed in 2016. The types of aircraft passing through the airspace are also increasing in variety year by year. The newest H-6K bombers and Su-30 fighters were confirmed by 2016 and the first Y-8 EW aircraft in July 2016 were confirmed by sight that at least one of the H-6K bombers that flew in September 2016 carried objects in the form of missiles. Flight patterns have also been changing. In November 2016, H-6K bombers and other aircraft were confirmed to have flown from the south of the Sakishima Islands to the East China Sea, passing between the main island of Okinawa and Miyako Island, and made frequent flights toward the Bashi Channel from the East China Sea via between the main island of Okinawa and Miyako Island. Upon the flight in December 2017 being confirmed, a spokesperson of the PLA Air Force stated that the aircraft were “cruising around an island (Taiwan).” In August 2017, H-6K bombers advanced to airspace off the Kii Peninsula after advancing to the Pacific Ocean via passage between the main island of Okinawa and Miyako Island. Through the conduct of frequent long-distance flights of bombers and other aircraft, and the advanced flight paths and composition of military units, China is thought to be demonstrating its presence around Japan and so on, and planning further enhancements to more practical operational capabilities. With regard to SDF aircraft scrambles against PLA aircraft advancing into the Pacific Ocean in October and December 2016, the Chinese Ministry of National Defense made false announcements that SDF aircraft shot IR flares, endangering the safety of the Chinese aircraft. However, there is absolutely no truth to these announcements; SDF aircraft conducted scrambles in accordance with international law and the SDF Law.

Additionally, activities considered to be planned to improve the capability to carry out joint sea and air operation execution capabilities, such as activities like air to-ship attack drills when entering the Pacific Ocean, have also been seen in recent years, and continued attention has to be paid for related trends.

c. Activities in the Sea of Japan

It is thought that the Chinese Navy has had vessels deployed in the Sea of Japan for training and other occasions in the past, and air units have also started activities in the area recently. “Confrontation exercises” in the Sea of Japan by Chinese Navy forces were announced for the first time in August 2016, during which time three aircraft participated in the exercise, including two H-6 bombers that passed through the Tsushima Strait into the Sea of Japan. In January 2017, naval vessels and aircraft were said to have carried out joint confrontation exercises in the same area, in which eight aircraft, including six H-6 bombers passed through the Tsushima Strait to the Sea of Japan.

The Chinese Air Force flew through the Tsushima Strait for the first time in December 2017 to advance to the Sea of Japan. This passage included the simultaneous transit of the latest H-6K bomber and Su-30 fighter, and were the first Chinese fighter aircraft to advance into the Sea of Japan. In addition, the Y-9 intelligence gathering aircraft that entered the Sea of Japan in February 2018 flew through the Western Channel (the strait between Tsushima in Nagasaki Prefecture and the Korean Peninsula) of the Tsushima Strait, and was the first time for a flight through the channel. The activities of the Chinese military in the Sea of Japan are considered to continue to expand and be intensified further.

(3) Activities of Chinese Government Vessels Especially Around the Senkaku Islands

In December 2008, China Maritime Surveillance vessels hovered and drifted inside Japan’s territorial waters around the Senkaku Islands. These are not permitted under international law. Since then, China Maritime Surveillance and China Fisheries Law Enforcement Command vessels have intensified their activities in the aforementioned territorial waters. Such activities have been intensified greatly 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). Since October 2013, Chinese government vessels have repeatedly intruded into these territorial waters, and the form of the intrusions have become more reinforced.

China is seen to be steadily strengthening an operational posture intended to use Chinese government...
vessels to intrude into Japan’s territorial waters. For example, since December 2015, Chinese government vessels carrying weapons that appear to be cannons have begun to repeatedly intrude into Japan’s territorial waters. Additionally, government vessels deployed to seas near the Senkaku Islands are increasingly larger in size, with at least one of the government vessels intruding into Japan’s territorial waters being a 3,000 t or larger-class vessel since August 2014. Since February 2015, three 3,000 t or larger-class government vessels have been confirmed entering Japan’s territorial waters simultaneously multiple times. China is also presumed to operate two of the world’s largest 10,000 t-class patrol vessels.

It appears that the operation capabilities of Chinese government vessels in the sea areas around Japan are also improving. In early August 2016, approximately 200-300 fishing boats advanced to the contiguous zone off the Senkaku Islands. At that time, a maximum of 15 Chinese government vessels navigated the contiguous zone simultaneously, and later for five days a large number of Chinese government vessels and fishing boats repeatedly intruded into territorial waters. It was confirmed that the government vessels that advanced into those waters included many armed vessels. This case appears to indicate that China has the capability to simultaneously inject a large number of government vessels including armed vessels in the sea area around the Senkaku Islands.

These activities of Chinese government vessels in the sea area around the Senkaku Islands are an attempt to unilaterally change the status quo by force. Japan finds China’s actions which escalate the situation totally unacceptable.

In May 2017, it was confirmed that an object that appeared to be a small drone was flying above a Chinese government vessel intruding into Japanese territorial waters around the Senkaku Islands. This flight also represents a unilateral escalation of the situation and constitutes an invasion of territorial airspace.

Besides the waters around the Senkaku Islands, Chinese government vessels were confirmed to have passed through the territorial waters of Japan around Tsushima (Nagasaki Prefecture), Okinoshima Island

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73 “China Coast Guard 2901,” and “China Coast Guard 3801” are also reportedly conducting test navigation. These government vessels allegedly carry a 76 mm cannon.

74 Since then, from mid-August, confirmed cases have not included the intrusion of government vessels into territorial waters following Chinese fishing boats. The frequency of intrusions into territorial waters, etc. has returned to about the same level as before early August.
(Fukuoka Prefecture) and the Tsugaru Strait in July 2017. The same vessels were also confirmed to have sailed in Japan’s territorial waters from Sata Cape to the Kusagakiguntou Islands (both in Kagoshima Prefecture) in August that year.

Retired Navy vessels are believed to have been handed over to the China Coast Guard, that was formally launched in July 2013. It was reported that the Navy and the China Coast Guard conducted a coordinated drill. It appears that the Navy is supporting maritime law enforcement agencies on both the operations and equipment fronts. In July 2018, the Chinese Coast Guard was incorporated into the People’s Armed Police (PAP) under the leadership and command of the Central Military Commission. The way of the military and the Coast Guard cooperation in the future is worthy of attention.

(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.

Since 2014, on seven features in the Spratly Islands, China has pressed ahead with large-scale and rapid land reclamation works. The Philippines-China arbitration award issued in July 2016 denied the rights claimed by China in the waters surrounded by the “nine-dash line” including the “historic rights” as the basis of the “nine-dash line” claimed by China, and determined the illegality of China’s activities such as land reclamation. However, China has made it clear that it would not comply with the award and is currently continuing to develop military facilities, such as batteries, and various kinds of infrastructure that can be used for military purposes including runways, ports, hangars, and radar facilities. It can be said that China is advancing the militarization of the features. During the 19th National Congress in October 2017, General Secretary Xi Jinping reported the progress of the land reclamation work in the South China Sea as one of the accomplishments of economic development.

In Fiery Cross Reef, a large harbor capable of receiving surface combatants is being constructed. In January 2016, China declared completion of a 3,000 m-long runway which fighters and bombers can take off from and land on, and aircraft test flights were conducted willfully against the protests from countries in the area.

In April 2016, a Navy patrol aircraft flying over the South China Sea landed at Fiery Cross Reef to evacuate emergency patients. At Subi and Mischief Reefs, in July of the same year, China conducted aircraft test flights willfully for two straight days on a runway where large aircraft can take off and land.

In January 2018, two Y-7 transport aircraft were reported over Mischief Reef, and Y-8 special mission aircraft were confirmed over Subi Reef later in April that year. It has been noted that batteries capable of being equipped with anti-aircraft guns, missile shelters, underground facilities which are pointed out to be ammunition storages, are being built on these features. It has also been noted that the construction of this infrastructure has been completed. Additionally, in April 2018, it was reported that anti-ship cruise missiles and anti-surface cruise missiles were deployed in each feature as part of a military training, and that radar jamming

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75 It has been suggested that three 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.
76 The seven features are: Johnson South Reef; Cuarteron Reef; Gaven Reefs; Hughes Reef; Fiery Cross Reef; Mischief Reef; and Subi Reef.
77 The U.S. DoD’s “Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China” (June 2017) notes that China added over 3,200 acres of land in the Spratly Islands by late 2015 and completed the land reclamation.
78 The international community has repeatedly suggested that China is militarizing its activities in the South China Sea. For example, in October 2017, Harry B. Harris Jr., Commander, U.S. Pacific Command stated, “We also want Beijing to do more to stop provocative actions in the East China Sea and the South China Sea, where the Chinese are building up combat power and positional advantage in an attempt to assert de facto sovereignty over disputed maritime features . . . where they are fundamentally altering the physical and political landscape by creating and militarizing man-made islands . . . where they are using its military and economic power to erode the rules-based international order.”
79 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 6.
80 On July 14, 2016, the spokesperson of the Vietnam Ministry of Foreign Affairs protested that it was an infringement on Vietnamese sovereignty.
systems were deployed on Mischief Reef. On the other four features, it is pointed out that the construction of facilities, such as harbors, helipads, and radars, is making progress and that what appears to be large anti-aircraft guns and close in weapon systems (CIWS) may have already been deployed. If these features are used for full-scale military purposes, it could significantly change the security environment in the Asia-Pacific region.

In the Paracel Islands, China has similarly carried out land reclamation and promoted their use for military purposes. China has extended the runway on Woody Island since 2013. In October 2015 and October 2017, China was reported to deploy J-11 and other fighters, and in February 2016 and January 2017, the existence of equipment likely to be surface-to-air missiles was confirmed. It has been noted that the takeoff and landing training of the H-6K bombers in the South China Sea announced by the Chinese Ministry of National Defense in May 2018 was carried out on Woody Island. 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. It is pointed out that new land reclamation in the shoal might be started in the future, and that if China conducts land reclamation and installs radar facilities, runways, and other infrastructure in the Scarborough Shoal, it could possibly increase its ability to track the situation and strategic capabilities in the surrounding sea area and ultimately enhance its capabilities in all areas of the South China Sea. Attention must continue to be paid to the situation going forward.

The activities of the PLA in sea areas and airspace are expanding as well. In March 2009 and December 2013, Chinese naval vessels and other vessels approached and intercepted a U.S. Navy vessel navigating in the South China Sea. In March 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 these sorts of things, survey type of activity, going on. That’s an area of concern...a next possible area of reclamation.”

There are reports that Chinese H-6 bombers flew along the “nine-dash line” in March 2015 and December 2016. Also, in December 2017, the Chinese Ministry of National Defense announced that training of the H-6K bombers in the South China Sea confirmed. It has been noted that the takeoff and landing of aircraft carrier “Liaoning” and a naval review ceremony, regarded as the largest since the founding of China, was conducted in the same area from the end of March until April 2018. It is also reported that Chinese government vessels fired warning shots at fishing boats of neighboring countries, and that Chinese naval vessels are active in some waters of the South China Sea at all times. In this manner, it appears that China seeks to expand its military presence and enhance its military operation capabilities in the South China Sea.

Such activities by China unilaterally change the status quo and further advance its efforts to create a fait accompli. Japan is deeply concerned about these activities, and the concern is shared with the international community, including the United States. 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 stability of the Asia-Pacific region. Countries concerned including China are urged to refrain from unilateral actions that

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81 In March 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 these sorts of things, survey type of activity, going on. That’s an area of concern...a next possible area of reclamation.”

82 There are reports that Chinese H-6 bombers flew along the “nine-dash line” in March 2015 and December 2016. Also, in December 2017, the Chinese Ministry of National Defense announced that the Air Force aircraft carried out “flight training and other activities around the islands.”

83 In November 2017, Delfin Lorenzana, Secretary of National Defense of the Philippines was reported in a local newspaper to have said that Chinese warships were constantly active near Sandy Cay in the Spratly Islands. In addition, in April of 2018, the Center for Strategic and International Studies (CSIS) and Asia Maritime Transparency Initiative (AMTI) pointed out that the Chinese Navy and Coast Guard Ships regularly visited the artificial islands in the Spratly Islands.

84 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.

85 As a concern from the United States, for example, in May 2018, the Pentagon canceled the Chinese military’s invitation to Rim of the Pacific Exercise (RIMPAC) stating, “China’s continued militarization of disputed features in the South China Sea only serves to raise tensions and destabilize the region.” As regards the concerns of the international community, for example, at the G7 Taormina Summit held in May 2017, the Leaders’ Communiqué stated that “[w]e remain concerned about the situation in the East and South China Seas and strongly opposed to any unilateral actions that could increase tensions.”

86 Remark by the spokesperson of the Ministry of Foreign Affairs of China on April 29, 2015.

87 The U.S. DoD’s “The Asia-Pacific Maritime Security Strategy” (August 2015) states, “As of June 2015, [China] had reclaimed more than 2,900 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.”
highlight tension and act on the basis of the principle of the rule of law.

Fig. I-2-3-6 (China’s development on the features of the Spratly islands)

Chapter 2, Section 6 (Southeast Asia); Chapter 3, Section 3 (Maritime Trends)

(5) The State of Activities in the Indian Ocean and other 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 counter-piracy efforts. Activities of Chinese Navy submarines are also beginning to be confirmed continuously in the Indian Ocean. In 2014, a Song-class submarine reportedly called at a port in Colombo, Sri Lanka, twice in the same year. This marked the first time that a Chinese submarine entered a port overseas. It is reported that in May 2015 and May 2016, a Yuan-class submarine and a Shang-class submarine respectively called at a port in Karachi, Pakistan, and in January and September of 2017, a Song-class submarine and Yuan-class submarine called at a port in Kota Kinabalu, Malaysia. Besides the Indian Ocean, in September 2015, five Chinese vessels reportedly sailed in the high seas in the Bering Sea and sailed in U.S. territorial waters near the Aleutian Islands.

Additionally, China has been remarkably trying to secure overseas bases such as harbors, which would help

Song-class submarine

[<Specifications, performance>]
Water displacement: 2,286 tons
Speed: 22 knots (approximately 41 km/h)
Main armament: Ship-to-ship missiles (maximum firing range 40 km), torpedoes

[<Description>]
Conventional submarine. Surfaced near U.S. aircraft carrier USS Kitty Hawk in the seas near Okinawa.

According to the United States, the coastal state in this case, the Chinese vessels’ navigation did not violate international law.
support its operations in far seas. For example, in August 2017, China began construction of “security facilities” for logistics support of the Chinese military in Djibouti, a strategic point in East Africa facing the Gulf of Aden. In recent years, China has been promoting its “Belt and Road” Initiative whose main purpose is establishing an economic zone centered on the Eurasian continent, with the Chinese military possibly taking on the role of the shield behind the concept through the defense of sea lanes. Furthermore, while it is thought that the concept includes a strategic intention to expand its influence in the region, it is possible that the construction of infrastructure based on the same concept will further promote the activities of the PLA in the Indian Ocean, Pacific ocean and elsewhere. For example, by supporting the construction of port infrastructure in Pakistan, Sri Lanka, and other Indian Ocean countries, it is possible that China attempts to secure ports to call, strengthen the defense of sea lanes, and further improve the operation execution capabilities of the PLA Navy in the Indian Ocean.

(6) Objectives of Water and Airspace Activities
Taking into consideration such factors as the development of Chinese naval and air forces, activities in sea areas and airspace, statements in defense white papers, China’s geographical location and globalizing economy, the water and airspace 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. To ensure that they can prevent foreign intervention into Taiwan, which is surrounded by the sea in all directions, China needs to enhance its military operational capabilities at sea and airspace.

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

The fourth is to acquire, maintain, and protect its rights and interests. China is engaged in oil and gas drilling as well as building facilities and surveying 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 late June 2016, the installment of an anti-surface vessel radar and a surveillance camera was confirmed on one of the platforms. Attention is to be paid to developments of the platforms by China, including the purpose of such equipment. Japan has repeatedly lodged protests against such unilateral development by China and demanded the termination of such work.

The fifth is to defend its sea lanes of communications.

89 China is collaborating on port development projects and other programs with local governments at such ports as Gwadar Port in Pakistan, Hambantota Port in Sri Lanka, and Chittagong Port in Bangladesh.

90 On November 1, 2016, Foreign Minister Kishida (at that time) revealed that new gas field drilling was taking place in that sea area and stated that “it is extremely regrettable that [China] is continuing with acts towards unilateral development.”

91 With regard to resource development in the East China Sea, in September 2010, China unilaterally announced postponement of the negotiation to conclude an international agreement with Japan for implementing the so-called “June 2008 Agreement.” While the negotiation has not been resumed yet, it is pointed out that China is highly likely carrying out gas production in the Kashi gas field (Tianwa’ain in Chinese) and elsewhere. Meanwhile, China’s SOA announced that the “Haiyang Shiyou 981” oil rig succeeded in its first drilling in the South China Sea in May 2012.
In the background is the fact that its sea lanes, including its oil transportation routes from the Middle East, are essential for the globalizing Chinese economy. The areas of its sea lanes which the Chinese Navy deems it should defend depend 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 have been developing a capacity to defend areas past China’s near seas to more distant seas.

Given these objectives and recent trends in China’s water and airspace activities, it is believed that China plans to further expand the sphere of its water and airspace activities, and further intensify its operations in waters surrounding Japan, including the East China Sea and the Pacific Ocean, the South China Sea and the airspaces over these sea areas, and the Indian Ocean.

Meanwhile, in recent years, China has shown interest in taking steps to avoid and prevent unexpected situations at sea areas and airspace. 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. Also, in May 2018, Japan and China signed a formal agreement to start implementation of the Maritime and Air Communication Mechanism between the Defence Authorities of Japan-China to prevent accidental clashes between SDF and PLA vessels and aircraft.92

### International Military Activities

In recent years, the PLA has been emphasizing nontraditional security missions such as peacekeeping, humanitarian assistance and disaster rescue, and counterpiracy. 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 fulfil its responsibilities to the international community.

China vows to consistently support and actively participate in UN PKOs. According to the Ministry of National Defense of China, it has sent more than 35,000 military personnel to them.93 According to the United Nations, as of the end of May 2018, China has a total of 2,514 troops engaged in UN peacekeeping activities, including United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA). China has also contributed civilian police and military observers, and has dramatically increased its budget allocation for peacekeeping.94 In addition, in September 2017, China announced that it registered approximately 8,000 troops in the UN Peacekeeping Capability Readiness System (PCRS).

In this manner, China has actively made personnel...
and financial contributions and has a growing presence in UN PKO. It is deemed that underlying China’s proactive attitude towards UN PKOs is China’s wish to strengthen its relations with the regions where PKOs are conducted, particularly with African nations, by way of these activities.

Moreover, China has been actively participating in counter-piracy activities off the coast of Somalia and in the Gulf of Aden as well as humanitarian assistance and disaster relief activities. In view of the deteriorating situation in Libya, China carried out an evacuation operation of Chinese nationals from Libya from February to March 2011 for the first time. In this operation, China dispatched a Navy vessel and Air Force transportation aircraft to Libya. Moreover, 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. In May 2017, when Sri Lanka was hit by flooding and landslides, the Chinese Navy carried out disaster relief activities, such as providing material support and medical rescue activities, while it was on a long-range cruise. 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 promptly project its military power to distant locations.

8 Education and Training

In recent years, the PLA has conducted practical exercises including large-scale ones such as joint exercises led by theaters, joint exercises of the Army, Navy, and Air Force, confrontation exercises, landing exercises, and exercises that cut across military regions and theaters, 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 President Xi. This is construed as evidence that the military is promoting implementation of more practical exercises. The new military training regulations in effect since January 2018 referred to the implementation of joint and full-spectrum operational capabilities based on network information systems, in addition to the implementation of practical training as a rule.

In the education spectrum, the PLA aims to train soldiers who have the ability to implement joint operations. In 2003, it launched a human resource strategy project to develop human resources capable of directing joint and informatized operations, and of building informatized armed forces. It was reported in 2017 that the PLA National Defense University began training to develop human resources capable of directing joint operations. 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 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, and it is thought that the military will also be required to implement the “rule of law.” One specific action is Chairman of the CMC Xi Jinping’s comment at the 90th anniversary commemorating the formation of the PLA held in August 2017 that the “military be controlled by law.” Additionally, in October of the same year, Miao Hua, Director of the Political Work Department, and Zhang Shengmin, Secretary of the Central Commission for Discipline Inspection, were selected as members of the 19th Central Military Committee, the supreme decision-making body in the military.

China has been developing wartime mobilizations systems in order to effectively utilize private resources in case of emergencies, including wars. In 2010, China enforced the National Defense Mobilization Law, which is the basic law for wartime mobilization into effect. In fact, while it appears that military weapons have recently been transported by commandeered civilian vessels, such a development is thought to be in line with the fusion of military and civilian personnel currently being promoted, and it is possible that this will be actively implemented going forward.

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95 See footnote 26 in this section.
CHAPTER 2
DEFENSE OF JAPAN 2018

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.

In recent years, reform in the Chinese 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 12 group 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.

In recent years, the “military-civil fusion” strategy, which is said to have been upgraded to the national strategy, is also being promoted in the field of defense technology. 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. By proactively introducing advanced technologies from overseas in this way, the modernization of the PLA can be further advanced.

Relations with Other Countries

General Situation

China, particularly over maritime issues where its interests conflict with others’, continues to act in an assertive manner based on its own assertions incompatible with the existing international order, including attempting to change the status quo by coercion. China remains poised to fulfill its unilateral demands without compromise, which has included making steady efforts to turn its actions into faits accompli. It has advocated building a “community of shared future for mankind” and, while referring to promoting the building of a “New Model of Major Country Relations” based on mutual respect, equitable justice, cooperation, and “win-win,” it has been noted that China has tried to influence political decisions in other countries through efforts such as putting pressure on foreign educational institutions and winning over politicians. There have also been movements toward creating their own international order, including the construction of a China-led multilateral mechanism. 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

As a specific example, in the field of engine development and manufacturing for military and civilian aircraft, where the progress of proprietary development is limited, when a state-owned enterprise specializing in engines was established in August 2017, President Xi Jinping emphasized the “close fusion of military and civil development.”

The U.S. DoD’s “Annual foreign Report to Congress: Military and Security Developments Involving the People’s Republic of China” (June 2017) states that China uses various means including cyber theft in order to acquire foreign military and dual-use technology.

The General Secretary Xi, at a Central Conference on Work Relating to Foreign Affairs in June 2018, underlined “thought on socialism with Chinese characteristic for a new era,” specifically, the enforcement of the building of “a community with a shared future for humanity,” the progress of “Belt and Road Initiative,” the development of global partnerships and leading the reform of global governance systems.

In submitting an amendment to national security legislation to the Parliament of Australia in December 2017, Australian Prime Minister Malcolm Turnbull said in his speech, “Media reports have suggested that the Chinese Communist Party has been working to covertly interfere with our media, our universities and even the decisions of elected representatives right here in this building.”

China seeks to implement its own initiatives in the security realm; at the Conference on Interaction and Confidence-Building Measures in Asia (CICA), China criticized military alliances and proposed “the security of Asia by the people of Asia.” In the international finance domain as well, China plays a leading role in establishment of the New Development Bank (BRICS Development Bank) and the Asian Infrastructure Investment Bank (AIIB).
exchanges as an element in China’s overall diplomatic strategy. Moreover, China has set forth the “Belt and Road” Initiative 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.

2 Relations with Taiwan

See 4-1 of this section (Relations with China)

3 Relations with the United States

There are various 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. China is trying to further develop relations with the United States through mutual respect and “win-win” cooperation, respecting its “core interests and major concerns.”

The United States has made frequent statements on the necessity of cooperation between the United States and China on issues such as North Korea since the start of the Trump administration. At the same time, it also called on China to uphold international rules and norms on global issues, including maritime security and international trade. Furthermore, the United States regards China as a “revisionist state” trying to shape the world along its own authoritarian model, and has indicated it recognizes that China is pursuing regional hegemony in the Indo-Pacific in the near future through the modernization of its military and other efforts, and sees the re-emergence of a long-term strategic competition from China’s revisionist influence as a central issue in the prosperity and security of the United States. China has strongly opposed such a perspective by the United States.

Regarding the Senkaku Islands, the United States has reiterated that the Japan-U.S. Security Treaty applies to the islands. This was confirmed in a document between the Japanese and U.S. leaders for the first time in February 2017, in the joint statement from the first Japan-U.S. Summit Meeting since the inauguration of the Trump administration, which explicitly referred to the application of Article 5 of the Treaty to the Senkaku Islands. The same interpretation is reiterated in the “Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China” published in June 2017 by the U.S. DoD. China has shown strong protest to these views. 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 sea lanes, 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. And the United States also implements the Freedom of Navigation Operation in the South China Sea to counteract excessive claims to maritime interests by other countries such as China. In May 2018, DoD announced that they disinvited China to RIMPAC (Rim of the Pacific Exercise) that is held every year because of “China’s continued militarization of islands in the South China Sea.”

On the other hand, a hotline between the defense departments of the two countries was set up in April 2008. In November 2014 and September 2015, the United States and China announced that they agreed on confidence-building measures aimed at reducing the risk of unintended encounters. China has also dispatched observers to U.S. military exercises, and joint drills have been conducted between the Chinese and U.S. navies on mutual port visits. For example, the U.S. and Chinese militaries have engaged in annual humanitarian and disaster relief exercises since November 2013. After the inauguration of the Trump administration, both countries frequently mentioned the importance of bilateral military exchanges, and several new dialogue frameworks were launched. In April 2017, it was decided at the U.S.-China Summit Meeting that the U.S.-China Diplomatic and Security Dialogue would be established as part of the new U.S.-China Comprehensive Dialogue, and the first meeting was held in Washington, D.C. in June of the same year. Also in 2017, the U.S.-China Joint Staff Dialogue Mechanism was established and the first dialogue was held in November of the same year. There were instances in the past, when the DoD notified...
Congress of the sale of weapons to Taiwan in October 2008 and January 2010, where China notified the United States to cancel the major military exchanges with them. However, when notice was given in December 2015 and July 2017, although China vigorously protested, it made no remarks about canceling military exchanges. In 2017, it made no mention of any measures against the United States, and took a more restrained approach than in the past. Although both China and the United States have their differences, progress in military exchanges seems to be relatively stable.

## 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 to purchase 24 of the newest fourth generation Su-35 fighters, and received 14 aircraft at the end of 2017. It was also reported that an agreement was reached regarding the purchase of the S-400 surface-to-air missile system in 2014, with delivery of the missiles beginning in 2018. 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 was the basis of the aircraft carrier “Liaoning.” In this regard, attention will also be paid to the relationship with 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 two countries have held the large-scale joint military exercise of navy “Joint Sea” every year since 2012, and held it in the Sea of Japan and, for the first time, the Baltic Sea and Sea of Okhotsk in 2017. From 2016, the two countries started “Aerospace Security,” a joint missile defense computer-simulated exercise. 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 joint counter-terrorism exercise “Peace Mission” China and Russia or among the Shanghai Cooperation Organization (SCO) member countries including China and Russia.

## Relations with Other Countries

### (1) Relations with Southeast Asian Countries

As for its relations with countries in Southeast Asia, reciprocal top-level visits and other activities continue to be carried out actively. In 2017, the heads of seven...
ASEAN member countries visited China on the occasion of the Belt and Road Forum for International Cooperation in May 2017 that included State Counsellor and Foreign Minister Aung San Suu Kyi of Myanmar, President Rodrigo Duterte of the Philippines, and President Joko Widodo of Indonesia. President Xi Jinping also visited Vietnam in November later that same year. China is also actively involved in multilateral frameworks such as ASEAN Plus One (China), ASEAN Plus Three (Japan, China, the ROK) and the ASEAN Regional Forum (ARF). In November 2017, Premier Li Keqiang attended multilateral meetings in Philippines including the ASEAN Plus One Summit. Furthermore, China has developed bilateral relations through infrastructure development support, etc. under the “Belt and Road” Initiative.

On the military front, China has made efforts toward military confidence building, such as goodwill visits of Southeast Asian countries between April and October 2017 by the Chinese naval fleet. In September 2017, a submarine identified to be a Yuan-class submarine also visited Malaysia. These efforts can also be considered to have the objective of securing bases for the activities of the PLA Navy in the distant sea areas of the Indian Ocean.

Some ASEAN countries are likely to have concerns about China’s advance into the South China Sea, but in 2017, any conflicts between China and these countries over territorial rights in the South China Sea have not surfaced. The Philippines instituted arbitral proceedings against China regarding their disputes over the South China Sea, including Scarborough Shoal and Second Thomas Shoal, in accordance with the United Nations Convention on the Law of the Sea (UNCLOS). In July 2016, a final arbitration was made where most of the content of the allegations were accepted. However, since China provides the Philippines with substantial economic support, the Philippines is said to have refrained from referring to the ruling. The statement at the 31st ASEAN Summit in November 2017, when the Philippines held the chair, mentioned improved relations between China and ASEAN, and did not express any concerns about the situation in the South China Sea. This was the first time those concerns went unmentioned since the Chairman’s statement at the ASEAN summit in May 2014. At the same time, in July 2017 and March 2018, the Vietnamese government reportedly made foreign companies engaged in oil drilling in the South China Sea with the permission of the Vietnamese government cancel the drilling under the pressure from China. This is regarded as an example of China flexing its muscles with its unilateral demands. Moreover, it is reported that in December 2017 the then candidate for commander of Indonesia’s army referred to the “rise of China as a superpower” as one of the threats to Indonesia’s security. These issues will be points to watch for in future developments of China-ASEAN relations.

(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, such as terrorism by Islamic extremists in Central Asian states. 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 diversify 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.

(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

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114 The Chairman’s statement at the ASEAN Summit held in April 2018, expressed the concerns of leaders of some ASEAN countries about the land reclamation activities, etc. in the South China Sea, although no names were mentioned.

115 See Chapter 2, Section 6-4.

116 It had been pointed out that over the last several years China had been dispatching maritime law enforcement vessels appearing to belong to the Chinese Coast Guard around Scarborough Shoal to interfere with Philippine fishing boats approaching the Shoal. According to CSIS/AMTI, it was confirmed that Philippine fishing boats were operating around Scarborough Shoal after the Philippines-China Summit Meeting in October 2016. In November of the same year, the spokesperson of the Chinese Ministry of Foreign Affairs stated that “the matter of Philippine fishermen conducting fishing was dealt with appropriately based on friendship.”
China, 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. The China-Pakistan Economic Corridor (CPEC), a development plan for power facilities and transportation infrastructure in the region stretching from the Port of Gwadar, where China is assisting construction, to Kashgar in the Xinjiang Uyghur Autonomous Region, is a flagship project of Belt and Road Initiative, and progress of the project is expected to increase China’s influence in Pakistan.

China and India have undemarcated border areas, and in January 2018, an Indian newspaper reported an incident of the Chinese military “crossing the border.” Additionally, even in the Doklam Plateau where Bhutan has close relations to China and India both of which ownership of the highlands, a standoff occurred between the two countries that lasted from June to August 2017. On the other hand, China has recently striven to improve its relationship with India, while also paying consideration to maintaining balance with Pakistan. And because China identifies the relationship with India as a strategic partnership, the leaders of the two countries actively conduct mutual visits. As a background to progress the relations with India, there seems to be an emphasis on economic growth of the two countries, and a response to closer US-India relations.

In recent years, China has also been deepening its relations with Sri Lanka. 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 the Colombo Port City development projects financed by China. However, he subsequently announced their resumption in January 2016, and new development projects with China are also showing progress. In July 2017, an agreement was reached to lend interests to Chinese enterprises at the Port of Hambantota, which is being constructed with Chinese loans. It has also been noted that India, traditionally closer to Sri Lanka, is concerned about these developments. 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 an important partner as Japan and the United States, especially in the economic field. China, through diplomatic opportunities, strongly requests EU countries to lift their arms embargo against China which has 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. Although it was explicitly stated in the EU’s strategy against China, which was adopted for the first time in 10 years in July 2016 that the position concerning the arms embargo against China remained unchanged and 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

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117 China identifies CPEC, a ground transport route that starts from the port of Gwadar in Pakistan and announced that China would invest US$46 billion in CPEC.
118 They include the Kashmir region and the state of Arunachal Pradesh.
119 At the meeting with Prime Minister Mohdi of India in September 2017, President Xi Jinping is reported to have stated that China and India have an opportunity to develop together and must adhere to the basic judgment that they will not pose a threat to each other. Including these talks, President Xi has visited with Prime Minister Mod three times between September 2017 and June 2018.
120 According to SIPRI, Bangladesh accounts for 19% of China’s arms exports from 2013 to 2017, which is the second largest share.
121 For example, in November 2010, then Chinese President Hu Jinfu visited France, and on this occasion, China and France announced a joint statement that included text supporting the lifting of the arms embargoes against China. It is deemed that some EU countries have positive opinions about the lifting of their arms embargoes against China.
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 movements could be China’s aim to ensure a stable supply of energy and natural resources and to secure overseas bases in the future. China has actively dispatched personnel to UN PKOs in Africa. In December 2016, São Tomé and Príncipe severed diplomatic relations with Taiwan, followed by Burkina Faso in May 2018, while re-establishing relations with China.

As regards China-Australia relations, a Chinese company’s agreement with the Northern Territory Government of Australia to lease Darwin Port 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. Though proactive and continuous economic assistance has also been implemented in other islands, Australia and other countries have also expressed their concerns over China’s infrastructure projects. 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. Since 2015, China and the Community of Latin American and Caribbean States (CELAC) held the ministerial meeting. In June 2017, Panama severed diplomatic relations with Taiwan, followed by the Dominican Republic and previously stated in May 2018, while establishing relations with China.

### 6 International Transfer of Weapons

The total of China’s arms exports have surpassed the total of imports since 2013. China has expanded provision of weapons such as small arms, tanks, aircrafts, and Unmanned Aircraft Vehicles (UAVs) 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. China does not participate in some of the frameworks of international arms export control, and some observers point out that there is proliferation of missile-related technology. Attention will be paid to whether China will increase the transparency of international weapons transfer in response to the concerns of the international community.

### 4 Military Capabilities of Taiwan

#### 1 Relations with China

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, China has repeatedly stated that it has not renounced the use of force. “The Anti-Secession Law,” enacted in March 2005, clearly lays out the nonrenunciation of the use of force by China.

Tsai Ing-wen (Democratic Progressive Party) won...
a landslide victory over Zhu Lilun (Kuomintang) in the presidential election in January 2016, and the Tsai administration was inaugurated on May of the same year. President Tsai has not outlined a clear stance regarding the “1992 Consensus,” which positions China as the political foundation of cross-Strait relations and which exemplifies the “One China” policy. Furthermore, President Tsai has upheld the “maintenance of dialogue and communication of intent” and the “maintenance of the promotion of the peaceful and stable development of cross-Strait relations.” Furthermore, President Tsai has upheld the “maintenance of dialogue and communication of intent” and the “maintenance of the promotion of the peaceful and stable development of cross-Strait relations” since taking office, though comments, “we cannot return to past tensions but also cannot succumb to pressure.”

Under the former administration of Ma Ying-jeou (Kuomintang) that championed policies to maintain the status quo over independence, the relationship between Taiwan and China developed mainly in the economic field. While they managed to hold the first summit meeting after the two countries split, following the inauguration of the Tsai administration, China announced that it has already suspended exchanges with Taiwan. Also, before and after the inauguration of President Tsai, Taiwanese delegates were refused attendance to or had their invitations ignored to meetings held by international organizations. In December 2016, São Tomé and Príncipe severed diplomatic relations with Taiwan, followed by Panama doing so in June 2017 and the Dominican Republic and Burkina Faso in May 2018, while they established relations with China. Taiwan is strongly protesting, citing these actions as “Chinese acts that shrink the international space of Taiwan.” In addition, China announced in January 2018 that it would begin operation of new commercial flight routes near the Taiwan Strait without prior consultation with Taiwan. Under these circumstances, China’s General Secretary Xi Jinping stated at the 19th National Congress in October 2017 that China was “ready to share the development opportunities on the mainland with our Taiwan compatriots,” while emphasizing that the “one-China principle” is the political foundation of cross-Strait relations. In February 2018, the Taiwan Affairs Office of the Chinese State Council announced 31 preferential treatment measures including enrollment in schools and support of employment from Taiwan. Even after China announced its suspension of cross-Strait exchanges with Taiwan, President Tsai called for dialogue with China. At the reception marking the 30th anniversary of cross-Strait exchanges, President Tsai, looking for a way to open up relations between the two countries, stated that “governance has entered a new stage” and “the present presents an opportunity for change,” just as the 19th National Congress had wrapped up. As President Xi enters his second term, China’s attitude toward Taiwanese policy and the future of cross-Strait relations will be issues to watch.

Both countries have put forth their own assertions regarding the Senkaku Islands, but Taiwan has a negative attitude toward cooperation with China.

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126 On May 2016, President Tsai stated in her inaugural address: “In 1992, the two institutions representing each side across the Strait (CEF & 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.”

127 In her inauguration address on May 2016, President Tsai Ing-wen stated that she would “work to maintain current mechanisms concerning dialogue and communication of intent” and that “the two sides should maintain the peaceful and stable development of cross-Strait relations on the existing political foundations.”

128 President Xi Jinping and then President of Taiwan, Ma Ying-jeou, held the first summit after the China-Taiwan split in November 2015. Both sides reaffirmed “One China” and agreed to establish a cross-Strait hotline.

129 In June 2016, a Taiwan Affairs Office of the Chinese State Council spokesperson announced that the exchange mechanism had already been suspended.

130 Recently, in May 2016, in addition to an invitation letter to the World Health Organization (WHO) annual meeting not being delivered, the director of Taiwan’s Ministry of Environmental Protection was also said to have been refused entry to the 23rd annual Conference of the Parties to the 1992 United Nations Framework Convention on Climate Change (COP 23). Taiwan claims that these are due to Chinese demands and unrests. According to an announcement by Taiwan’s Ministry of Foreign Affairs, after a request from China, Nigeria forcibly closed Taiwan’s mission in July 2017, and the governments of Ecuador, Bahrain, Papua New Guinea, Jordan and other countries asked Taiwan to remove “Republic of China” and “Taiwan” from the name of its missions and replace it with “Taipei.”

131 Taiwan currently has diplomatic relations with 18 countries.

132 In January 2015, Taiwan protested China’s announcement that it had set four new flight routes close to the Taiwan Strait saying that it was overcrowding the airspace. Following that, China and Taiwan agreed to negotiate some of the flight routes, but when both parties were about to agree to preliminary talks on the pros and cons of operating the other routes in January 2018, China began operation of the four routes without any prior consultation with Taiwan.

133 Taiwanese vessels intruded Japan’s territorial waters around the Senkaku Islands three times in 2012. Taiwan’s foreign minister issued a statement on the Senkaku Islands in February 2013 titled “Our Position on Not Cooperating with Mainland China.”
2 Military Capabilities of Taiwan

Under President Tsai Ing-wen, Taiwan has put forth a national defense development plan of “resolute defense, multiple deterrence” “Cultivate a Professional Military,” and “Strengthen information, communications, and electronic warfare capabilities.” In December 2017, Taiwan published its first national defense report under the Tsai administration. The report changed the existing force concept from “victory on beach areas,” to “preservation of warfighting capability, pursuing decisive victory in the littoral area, and annihilating the enemy in the beach area,” and made its first mention of military cooperation with the United States and insisted that their cooperation made a progress both qualitatively and quantitatively.

Taiwan, for improving the expertise of its military personnel and other purposes, aims to reduce the total forces from 215,000 personnel at the end of 2014 to 170,000-190,000 by 2019, while transforming its armed forces consisting of drafted personnel and volunteers into all-volunteer forces.

With regard to Taiwan’s military power, at present, ground forces, including the Navy Marine Corps, have a total of approximately 140,000 personnel. It is believed that approximately 1.66 million reserve personnel of the air, naval, and ground forces would be available in case of war. Regarding naval capabilities, in addition to Kiddclass destroyers which were imported from the United States, Taiwan possesses relatively modern frigates and other vessels. Regarding air capabilities, Taiwan possesses F-16 A/B fighters, Mirage 2000 fighters, Ching-kuo fighters, and other assets.

3 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. China’s official military budget in 2017 was roughly 15 times the amount Taiwan spent. In the “Nation Defense Report 2017,” Taiwan acknowledged rapid growth in China’s military capabilities along with significant advances in military reforms, integrated operations, weapons development, and overseas base construction and pointed out “threat is growing to to Taiwan.” It also mentions that Chinese military fighters and destroyers routinely circle Taiwan and exhibit the country’s military capabilities to Taiwan.

While the PLA proceeds to enhance its missile, naval, and air forces, the Taiwan’s 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 has announced that it will continue to purchase advanced weapons.

At the same time, Taiwan is also making progress in developing its own equipment. In the first Quadrennial Defense Review (2017QDR) released under the Tsai administration in March 2017, the review emphasized progress, such as in the development of its defense industry, particularly with the domestic production of weapons and equipment. For example, in June 2016, the Taiwan Navy announced a policy to switch over major

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134 According to the Quadrennial Defense Review (QDR) that the Ministry of Defense of Taiwan released on March 2017, “resolute defense...protect the homeland” and “achieving multi-domain deterrence, comprehensive strategy” are listed in the military strategy. In July 2017, the Taiwanese Army added a new Information, Communications and Electronic Force Command to its general staff aimed at improving cyber warfare capabilities.

135 Originally, the Ministry of Defense had aimed to transition to all-volunteer forces by the end of 2014, but in September 2013 announced that this would be postponed until the end of 2016. Later, in October 2017, Minister of National Defense of Taiwan announced the policy that “a draft would not be conducted in 2018 and beyond.”

136 In November 2016, the Taiwan Air Force announced that it would begin the upgrade of its F-16A/B fighters to F-16V fighters with enhanced radar performance, etc. beginning on January 2017. It states that the project will be completed by 2023.

137 This figure was obtained by comparing China’s announced FY2016 defense budget of approximately 1,044.397 billion yuan and Taiwan’s announced FY2015 defense budget of approximately 319.3 billion Taiwan dollars by converting them into U.S. dollars using the exchange rate for FY2015 released by the Central Bank of Taiwan (US$1 = 6.7588 yuan = 30.439 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.

138 At a press conference in December 2017, President Tsai Ing-wen showed caution toward China, saying that Chinese military aircraft were becoming more active around Taiwan.

139 On June 29, 2017, the Trump administration announced to Congress that it would sell approximately $1.4 billion (about ¥157 billion) in weapons, including interceptor missiles, to Taiwan. This was the first time for the Trump administration to sell weapons to Taiwan. However, it is reported that this does not include the F-35 and other high-performance weapons.

140 It is said that Taiwan has sought the sale of F-16C/D fighters and conventional submarines from the United States but they have not been achieved. “Asia-Pacific Rebalance 2025” published by CSIS notes on January 2016, “Taiwan has stopped requesting F-16C/Ds and probably hopes that the United States will eventually make available F-35s, perhaps in a decade.”
ships including submarines, to an indigenous shipbuilding program. In April 2018, it was reported that the U.S. government granted permission to U.S. companies to negotiate with Taiwan on the construction of submarines.

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

1) Regarding ground forces, while China possesses an overwhelming number of troops, their capability of landing and invading the island of Taiwan is limited at this point in time.\textsuperscript{141} However in recent years, China has been steadily improving its landing and invasion capabilities, such as building large landing ships.

2) Regarding naval and air forces, China, which overwhelms Taiwan in terms of quantity, has also been rapidly strengthening its naval and air forces in recent years in terms of quality, where Taiwan had superiority over China.\textsuperscript{142}

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. Taiwan is deemed to have few effective countermeasures.

Comparison of military capabilities should be made based not only on the performance and quality of the military capability and equipments, but also on various factors such as the purpose and aspects of the assumed military operations, the operational status, the skill level of the personnel, and the logistics. Nevertheless, the overall military balance between China and Taiwan is shifting in favor of China, and the gap appears to be growing year by year. Going forward, attention is to be paid to trends such as the strengthening of Chinese and Taiwanese forces, the sale of weapons to Taiwan by the United States, and Taiwan’s development of its own main military equipment.

\textsuperscript{141} In August 2017, it was reported that the unofficial annual report on China’s military power sent by the Taiwan Ministry of National Defense to the Legislative Yuan stated that the Chinese military did not have the proper operational capabilities for a full-scale invasion of Taiwan.

\textsuperscript{142} China has 852 fourth or fifth-generation fighters, whereas Taiwan has 327. In addition, China has 74 destroyers and frigates and 65 submarines, whereas Taiwan has 24 and four, respectively. Furthermore, China commissioned the aircraft carrier Liaoning in September 2012 and launched an indigenous carrier in April 2017, and conducted sea trials for the first time in May 2018.