

Section
2 China

1 General Situation

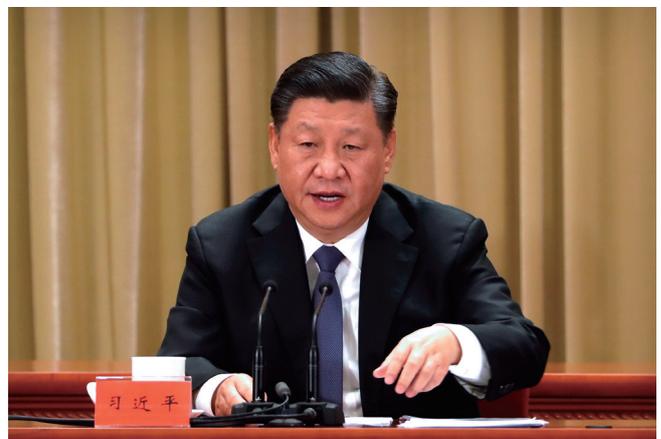
China, the world's most populous country, has a vast landmass surrounded by a long borderline shared with 14 countries as well as a long coastline. China is also a nation with various races, religions, and languages. China, with a long history, has been shaping and maintaining a distinct culture and 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 nontraditional security areas, making personnel and financial contributions to United Nations (UN) Peacekeeping Operations (PKO) and continuously sending its ships 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. Among the problems emerging are the spread of bribery and corruption among the central and local leadership of the Chinese Communist Party (CCP) and issues triggered by China's rapid economic growth, such as regional disparities between urban and rural areas, and between coastal and inland regions, as well as disparities within cities and environmental pollution. More recently, the pace of China's economic growth has slowed¹ and the country is also expected to face issues associated with the rapid aging of the population, including problems related to pensions and other aspects of the social security system. The range of factors potentially destabilizing to government administration has thus been expanding and becoming increasingly diverse. Amid these circumstances, the Chinese Government has been tightening its control over society, but it has been suggested that controlling activities of the masses is becoming increasingly difficult with advances in the Internet and other areas of information and communications technology (ICT). However, others have noted that China is

leveraging the recent rapid developments in ICT as a means of social control. Additionally, ethnic minorities in China have been staging protests and carrying out campaigns in pursuit of separation and independence in the Tibet Autonomous Region, the Xinjiang Uyghur Autonomous Region, and elsewhere. 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," the purpose of which is considered as prosecuting both dominant figures and junior officials, with severe charges of "corruption" on people including current and past prominent leaders of the Party and military. In his remarks at the 19th National Congress of the CCP in October 2017, General Secretary Xi spoke about "strict governance over the Party," stating that "corruption is the greatest threat our Party faces," which suggests that he will continue to crack down on corruption within the Party and the military.



President Xi Jinping making a speech at an event commemorating the 40th anniversary of China's "Message to Compatriots in Taiwan" (January 2019) [EPA/Jiji]

¹ According to an announcement by the National Bureau of Statistics of China, the growth rate of the GDP for the full year of 2018 was 6.6% 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 2017 when the growth rate marked 6.8%.

Through these developments, the Party has demonstrated a growing willingness in recent years to further bolster the power base of General Secretary Xi in the CCP. 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 President 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 more than 30 years, China has sustained high-level growth of its defense budget without transparency, engaging in broad, rapid improvement of its military power in qualitative and quantitative terms with focus on nuclear, missile, naval and air forces. In doing so, it has attached importance to strengthening its operational capabilities in order to steadily acquire information superiority as a means of both enhancing operational capabilities throughout the Chinese military and gaining asymmetrical capabilities to effectively impede enemies with overall military superiority from exerting their strength. Specifically, China has been increasingly emphasizing endeavors to achieve dominance in new domains. It has been rapidly expanding its capabilities in the cyber domain, enabling it to disrupt enemy communications networks, and in the field of electromagnetic spectrum, which offers the potential to render enemy radar and other equipment ineffective, thereby hampering their ability to exercise their military might. In addition, it continues to build capacity in the space field, which will make it possible to restrict enemies’ use of space. Bolstering these capabilities will reinforce China’s “Anti-Access/Area-Denial (A2/AD)” capabilities and lead to the establishment of operational capabilities further afield. China is also prioritizing efforts to increase joint operational capabilities through military reforms. Additionally, while implementing a policy of civil-military fusion across the board, with the aim of promoting two-way links between military and civilian resources in technology development and various other fields, China is striving to develop and acquire cutting-edge technologies that can be used for military purposes.

Along with these efforts to reinforce its operational capabilities, China is engaging in unilateral and coercive

attempts to change the status quo based on its own assertions incompatible with the existing international order,² and has been expanding and intensifying its military activities in maritime and aerial domains, notably in the East China Sea. China, particularly regarding maritime issues where its interests conflict with others’, continues to act in an assertive manner, which includes dangerous acts that could cause unintended consequences. Additionally, China continues to demonstrate its willingness to realize its unilateral assertions without making any compromises, steadily moving forward with efforts to change the status quo by coercion and to create a *fait accompli*.

The Chinese military leadership has emphasized to continue to improve the Chinese military’s operational capabilities, exhibiting the results of its activities such as the “struggle” against the Senkaku Islands, 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.”³ Although it is not necessarily clear what activities these examples indicate specifically, 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 including in the areas surrounding Japan, such as the East China Sea, Pacific Ocean and Sea of Japan. Meanwhile, in recent years, China has shown interest in taking steps to avoid and prevent unexpected situations at sea areas and airspace.

China has been observed to be making steady, rapid progress with the military reforms in which it has been engaged since late December 2015 as part of its military modernization efforts to strengthen practical operational capabilities. In conjunction with this, it has been working to accomplish law-based governance over the military and

² 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, some point out that China is drawing a basal line in the South China Sea that does not go in accordance with the United Nations Convention on the Law of the Sea (UNCLOS) by using its own interpretations of the treaty and other laws.

³ The article published in the People’s Daily November 14, 2017 by CMC Vice Chairman Xu Qiliang.

improve joint operational capabilities through practical training and human resource development. 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” 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. It is possible that military modernization efforts to strengthen the practical operational capabilities of the military will be further accelerated, considering General Secretary Xi Jinping’s strengthening of his power foundation within the and further strengthening of his authority as the head of the **Central Military Commission** of the CCP.

The regional and international communities, including Japan, therefore have strong security concerns about the trends including aforementioned rapid strengthening of operational capabilities by China and its expansion and intensification of activities in areas surrounding Japan, coupled with its defense policy and lack of transparency in its military 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 defense⁴ 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.⁵ Furthermore, China seems

KEY WORD

Central Military Commission (CMC)

The guidance and command institution of the PLA. Formally, there are two CMCs—one for the CCP and another for the state. However, both commissions basically consist of the same membership, and both are essentially regarded as institutions for the CCP to command the military forces.

to emphasize not only physical means but also non-physical means in military affairs and warfare. It regards the concept of “**Three Warfares**” — “Media Warfare,” “Psychological Warfare,” and “Legal Warfare” — as part 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 deter the independence of Taiwan and foreign military support for it. Furthermore, in recent years, China has been steadily enhancing operational capabilities in more distant waters to protect its expanding overseas interests.

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 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

KEY WORD

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.

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 National Defense in the New Era” (July 2019).

Strategy,” namely the basic modernization of the national defense and the forces by the middle of the 21st century, and it is expected that further acceleration of development of operational capabilities will be seen as China’s power grows.

3 Transparency Concerning Defense Policy and Military Capability

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. Moreover, 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.⁶

China had released defense white papers including “China’s National Defense” nearly every two years since 1998. China released white paper titled “China’s Military Strategy” in May 2015, but no more until July 2019, when it released a defense white paper titled “China’s National Defense in the New Era,” for the first time in approximately 4 years. In China’s defense white papers released in 2013 and 2015, the contents included limited topics and made no reference to national defense spending that was described in previous white papers. The overall description also decreased. Although the paper published in 2019 resumed referring to national defense spending, 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.⁷ 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. 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.⁸ In recent years, amid the significant changes in the environment surrounding the military, including advances in specialization

of the military and diversification of missions associated with strengthening of operational capabilities, some see that relations between the CCP leadership and the People’s Liberation Army (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.

Explanations that stoke concerns about Chinese military decision-making and actions are also evident in comments about the South China Sea,⁹ where China is seeking to unilaterally change the status quo and to create a *fait accompli*. 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 in February the following year, Foreign Minister Wang Yi described the facilities in the South China Sea as “necessary self-defense facilities” that China was developing in accordance with international law. In 2017, reports in official media asserted that China had rationally expanded the area of its islands and reefs in the South China Sea, to “strengthen the necessary military defense.”

At the same time, China engages in a number of dialogues with the defense authorities of foreign countries.¹⁰ Furthermore, a spokesperson for the Chinese Ministry of National Defense has held a press conference every month since April 2011 and spokesperson posts were established at such departments as the PLA Navy, PLA Air Force (PLAAF), and then-PLA Second Artillery Corps in November 2013. While China’s release of defense white papers and dialogue with the defense authorities of other countries help to increase transparency about defense policy and military capability, such actions are also regarded as moves to bolster the country’s media warfare.

China’s influence in the international community has risen politically, economically, and militarily. 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.

6 The defense white papers “China’s National Defense in 2008,” “China’s National Defense in 2010” and “China’s National Defense in the New Era” (2019) provided a breakdown of personnel expenses, training and maintenance costs, and equipment costs for the limited FY2007, FY2009 and FY2010-2017 defense budget expenditures respectively (furthermore, those for FY2007 and FY2009 were divided into costs for active force, reserve force and militia).

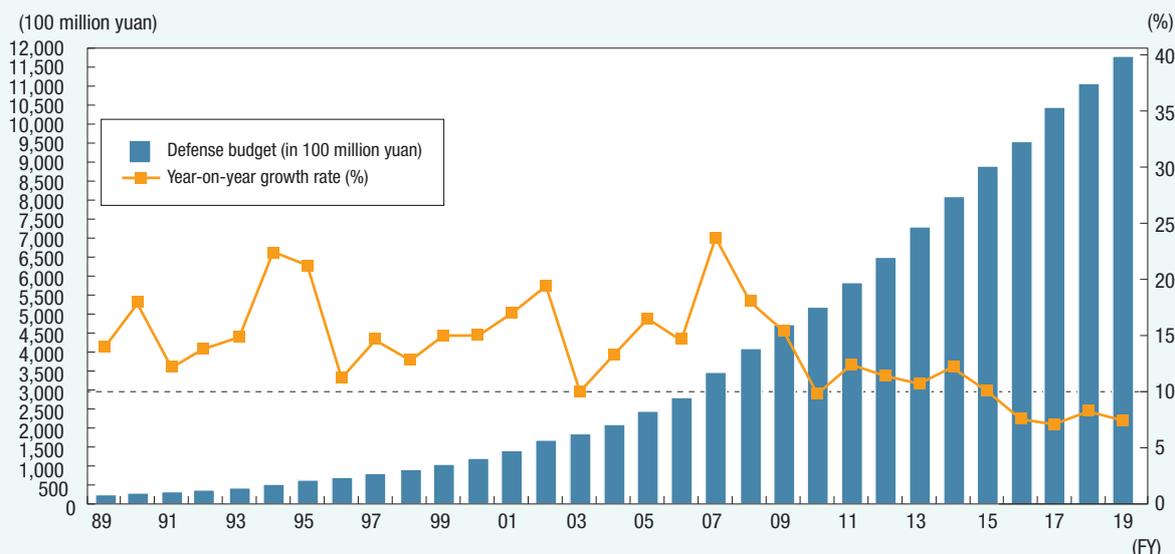
7 For example, with respect to the incident of a Chinese naval vessel directing its firecontrol radar at a Maritime Self-Defense Force (MSDF) destroyer in January 2013, both the Chinese Ministry of National Defense and Ministry of Foreign Affairs gave explanations which were inconsistent with the facts; 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 Air Self-Defense Force (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.” Furthermore, in 2016, China repeatedly made claims that are contrary to the fact. In the case where Self-Defense Forces (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.”

8 When asked about the submerged navigation of a submarine 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.”

9 See Chapter 1, Section 2-6 (4) and Chapter 3, Section 5-1 (2)

10 See Part III, Chapter 3, Section 1-2-6 for examples of dialogue with Japan

Fig. I-2-2-1 Changes in China's Announced Defense Budget



Note: This basically shows the defense budget within “the central government’s general public budget,” which had been named as “the central fiscal expenditures” prior to FY 2014. Year-on-year growth rate compares the budget of a given year against the initial budget of the previous year. Note that FY2002 defense budget was calculated based on the increased amount from the defense budget in the previous FY because only the amount and rate of growth were released. For FY 2016, FY 2018 and FY 2019, the amount of “the central government expenditures,” which are part of the central government’s general public budget, are used because only the central government expenditures were announced.

4 National Defense Budget

China announced that its national defense budget for FY2019 was approximately 1,189.9 billion yuan.¹¹ This initial budget amount represented a growth of approximately 7.5% (approximately 82.9 billion yuan)¹² 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 FY1989.¹³ The nominal size of China’s announced national defense budget has grown approximately 48-fold in the 30 years since FY1989 and approximately 2.5-fold in the 10 years since FY2009. 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 is noted that the amount of the announced defense budget is considered to be only a part of its actual military expenditures.¹⁴ For example, it is believed that the announced defense budget does not include foreign equipment procurement costs and research and development (R&D) expenses.

Q See Fig. I-2-2-1 (Changes in China's Announced Defense Budget)

5 Military Posture

China’s armed forces are composed of the PLA, the People’s Armed Police Force (PAP),¹⁵ and the militia.¹⁶ 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.

11 China’s national defense budget for FY2019 is equivalent to approximately 20,227.9 billion yen when it is mechanically converted using a rate of 17 yen per yuan (FY2019 rate that the Japanese Government uses for official purposes).

12 As in FY2018 figures for the FY2019 national defense budget were published only as part of the basic expenditures of the central government (which show the sum remaining after local transfer expenditures and other expenses have been deducted from central government expenditure).

13 China’s announced national defense budget within central fiscal expenditures achieved double-digit growth on the initial-budget basis every year from FY1989 to FY2015 except in FY2010.

14 The U.S. DoD’s “Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China” (May 2019) estimates China’s military-related spending as having been at least US\$200 billion in FY2018.

15 According to the defense white paper “China’s National Defense in 2002,” “(PAP) is to maintain state security and social stability, and assist the PLA in wartime in defense operations.” Missions of the PAP include security of party and government, border security, social projects, and firefighting activities. The CCP Party and State Institutional Reform Plan released in March 2018 stated it would aim to reorganize the PAP by the end of the year based on the principle that “the military is the military, police are the police, and civil is civil” and that the post-reorganization PAP will “mainly carry out patrols, respond to sudden emergencies, engage in counter-terrorism, protect China’s interests and undertake law enforcement at sea, and implement emergency relief and defense operations.”

16 The militia engages in economic development in peacetime and other activities but has a duty to provide logistics support for combat operations in wartime. The defense white paper “China’s National Defense in 2002” explains, “[u]nder the command of military organs, the militia in wartime helps the standing army in its military operations, conducts independent operations and provides combat support and manpower replenishment for the standing army. In peacetime, it undertakes the tasks of performing combat readiness support, taking part in disaster relief efforts, and maintaining social order.” According to a PLA Daily article dated October 9, 2012, “China now has six million primary militia members” as of 2010.

(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. 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 Regions¹⁷ and created five new theaters with primary responsibility 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,¹⁸ Rocket Force (PLARF),¹⁹ Strategic Support Force (PLASSF),²⁰ and Joint Logistics Support Force.²¹ 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, and the reorganization from 18 Group Armies to 13. 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 management from peacetime.²² 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 was reduced from the number sustained until recently,²³ with seven newly elected members including Chairman Xi at the 19th National Congress in October 2017. Since it has been noted that many people who have deep connections to Chairman Xi were appointed, it is thought that Chairman 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.²⁴ Attention will focus on the outcomes of these military reforms, as the reforms will be completed by 2020.

(2) Nuclear and Missile Forces

China has made efforts to independently develop nuclear and ballistic missile capabilities since the mid-1950s, 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 limited number of targets such as cities in the adversary's country, should China be subject to nuclear attack.²⁵ The PLARF 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 missile forces.

China possesses various types and ranges of ballistic missiles: ICBM; SLBM; Intermediate-Range Ballistic Missile (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

17 Shenyang Military Region, Beijing Military Region, Jinan Military Region, Nanjing Military Region, Guangzhou Military Region, Chengdu Military Region, and Lanzhou Military Region.

18 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.

19 The new establishment of PLARF is seen as a de facto elevation of the Second Artillery Force.

20 PLASSF is identified as a new force for maintaining national security. Reportedly it is in charge of cyber, outer space, and electronic warfare capabilities.

21 The Joint Logistics Support Force is considered to be the first Chinese command dedicated to joint logistics support for the armed forces.

22 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.).

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

24 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. Further demonstrations by them have taken place in several cities since June 2018. While a Ministry of Veterans Affairs was established under the auspices of the State Council in April that year to improve the treatment of veterans, some view these demonstrations and dissatisfaction with the military reforms as being interrelated.

25 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 no-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-weapon states or nuclear-weapon-free zones." On the other hand, the U.S. DoD's "Annual Report to Congress: Military and Security Developments Involving the People's Republic of China" (May 2019) states that there is some ambiguity over the conditions under which China's "no first use" policy would or would not apply.

and readiness. Moreover, it is believed that China is working to increase performance by such means as extending ranges, improving accuracy, employing Maneuverable Reentry Vehicle (MaRV) and Multiple Independently targetable Reentry Vehicle (MIRV).

China's main ICBM, strategic nuclear asset, had been the fixed-site liquid-propellant DF-5 missile. However, China has in recent years deployed the DF-31, which is a mobile-type ICBM with a solid propellant system mounted onto a transporter-erectorlauncher (TEL), as well as the DF-31A, a model of the DF-31 with extended range, and it has been suggested 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 SSBNs to carry the JL-2, whose range is expected to be approximately 8,000 km, are operational. It is believed that China's strategic nuclear capabilities will improve significantly by nuclear deterrence patrols using the Jin-class SSBNs.²⁶ Furthermore, it has been pointed out that China is also developing an extended-range SLBM, called JL-3, and a new SSBN to carry the SLBM.

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, deploying the DF-21D anti-ship ballistic missile (ASBM) carrying conventional warheads, which could be used to attack overwater ships including aircraft carrier.²⁷ The DF-26,²⁸ which has a range including Guam, is considered a "second-generation ASBM" developed on the basis of 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 CJ-20 (CJ-10), a long-range land-attack 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 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 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, China is believed to be rapidly developing several hypersonic glide vehicles in order to acquire strike capability that will be able to penetrate missile defenses; these include a model called the WU-14 on a ballistic missile for launch.²⁹ In August 2018, China is believed to have tested a hypersonic glide vehicle featuring the "waverider" design. Moreover, it has also been pointed out that progress is being made on the development of the DF-17 missile capable of carrying hypersonic glide vehicles.³⁰ These are said to be more difficult for missiles to intercept, because they fly low at very high speeds and are highly maneuverable.

China is also thought to be devoting energies to the development of missile defense technology. It is believed to have conducted several tests on midcourse missile interception technology since 2010.³¹ Given that ballistic missile defense technology has the potential to be applied to missiles capable of destroying satellites, attention will focus on future Chinese ballistic missile defense trends.

 See Fig. 1-2-2-2 (Range of Ballistic Missiles from China (Beijing))

(3) Ground Forces

China has the third largest ground forces in the world, following India and North Korea, with approximately 980,000 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 being implemented, in order to improve operational capabilities while pursuing

H-6 bomber

<Specifications,
performance>

Maximum speed: 1,015
km/h

Main armament (H-6K): Air-to-surface cruise missiles
(maximum firing range 1,500 km)

<Description>

Indigenous strategic bomber. The H-6K, its latest version, can carry cruise missiles (CJ-20) that can be loaded with nuclear warheads.



[Jane's by IHS Markit]

²⁶ The U.S. DoD's "Annual Report to Congress: Military and Security Developments Involving the People's Republic of China" (May 2019) indicates that "China continues to produce the JIN-class SSBN, with four commissioned and two under rig" and that the SSBNs, which are equipped with JL-2 SLBMs, "are the country's first viable sea-based nuclear deterrent."

²⁷ DF-21D is called the "carrier killer" (Annual Report of the U.S.-China Economic and Security Review Commission [November 2015]).

²⁸ DF-26 is called the "Guam killer" (Annual Report of the U.S.-China Economic and Security Review Commission [November 2015]).

²⁹ China reportedly conducted total seven flight tests of its WU-14 from January 2014 to April 2016. Some reports refer to it as DF-ZF.

³⁰ DF-17 flight tests were reported to have been conducted on November 1 and 15, 2017.

³¹ China claims that these tests were missile interception technology tests. However, it is pointed out that this was actually an anti-satellite weapon (ASAT) test. (See Chapter 3, Section 2-2-2.)

column

Chinese Modernization of Missile Forces

China has rapidly modernized its missile forces in recent years. Apparently symbolizing the modernization is the upgrading of the Second Artillery Corps as the core component of China's missile forces to the Rocket Force at the end of 2015.

In the modernization of nuclear forces, it is said that China has implemented initiatives to ensure nuclear counterattack capability to maintain nuclear deterrence, on the premise of strict political control over the capability. For example, China has been switching from liquid-fuel missiles to solid-fuel ones and from fixed launching sites to road-mobile launchers to enhance the survivability and readiness of its nuclear forces. China has also been modernizing its naval and air nuclear weaponry. Since 2007, China has commissioned four Jin-class SSBN to carry the JL-2 submarine-launched ballistic missiles (SLBM) with an estimated range of about 8,000 km. It is pointed out that China has been planning and developing the longer-range JL-3 SLBM and a new SSBN. It is also pointed out that China has been developing nuclear-capable air-launched ballistic missiles.

In the modernization of conventional missile forces, China has been enhancing its so-called anti-access/area denial (A2/AD) capabilities to win a limited local war by developing the capability to conduct precision attacks while forestalling enemy attacks. China has also been improving precision guidance capabilities for ballistic and cruise missiles and extending cruise missile range. For example, the DF-21D anti-ship ballistic missile, "the aircraft carrier killer," is viewed as capable of attacking overwater moving targets with competent terminal guidance technology. It is estimated that the CJ-20 long-range land-attack cruise missile with an estimated range of about 1,500 km can be mounted on the H-6K bomber to attack Guam and other targets within the Second Island Chain.

China's missile forces are put outside the framework of the U.S.-Russia Intermediate-range Nuclear Forces (INF) Treaty. China has deployed numerous ground launched missiles with a range between 500 and 5,500 km that would be subject to dismantlement under the INF Treaty, prompting the United States to assert that another framework is required to control missile forces, including those of China.

It is also believed that China gives priority to capabilities to break through enemy missile defense systems. China is thought to continue efforts to improve its capability of maneuverable reentry vehicles (MaRVs) and multiple independently-targeted reentry vehicles (MIRVs) and, in addition, to develop hypersonic glide vehicles (HGVs) and other so-called game-changing technologies. Relevant future efforts are attracting attention.



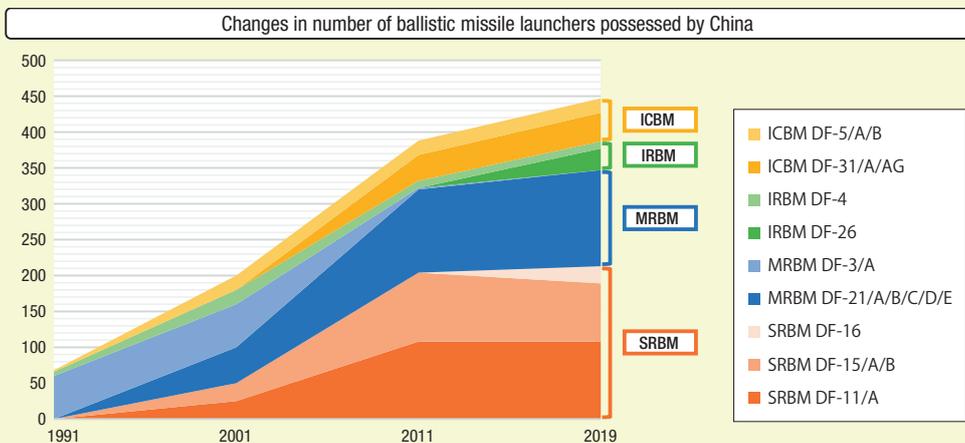
Jin-class SSBN
[Jane's by IHS Markit]



H-6K bomber with CJ-20s mounted
[Jane's by IHS Markit]

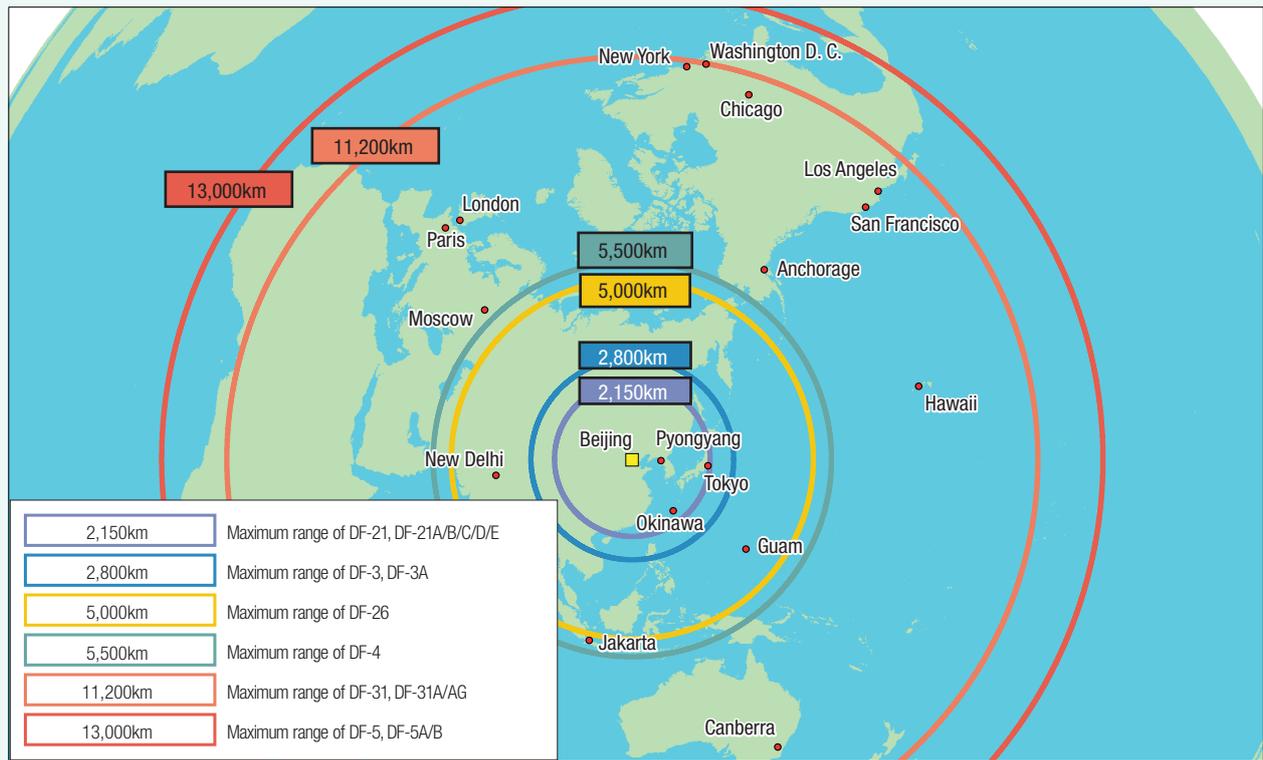


DF-21D anti-ship ballistic missile
[Jane's by IHS Markit]



* The numbers of launchers, missiles, and warheads of ballistic missiles possessed by China are not publicized.
 * This data classifies the number of launchers possessed by China into ICBM, IRBM, MRBM, and SRBM according to the general standard based on "The Military Balance" of each year.

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



* The figure above is for illustrative purpose, showing the range of each missile from Beijing.

the downsizing, 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,³² special operations forces, and helicopter units. China is undertaking efforts to build a command system for improving its joint operational capabilities and operational efficiency, as well as carrying out reforms to improve its logistical support capabilities.

China has annually conducted maneuver-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 maneuvering capabilities of the army, and logistical support capabilities that include mobilizing militias and public transportation. Furthermore, China has conducted combined military branch and service exercises under Joint Action since 2014, while a Central Theater Command Army brigade and the PLA Strategic Support Force reportedly have carried out joint training in

October 2018. These suggest China’s intentions to improve its joint operational capabilities as well.

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

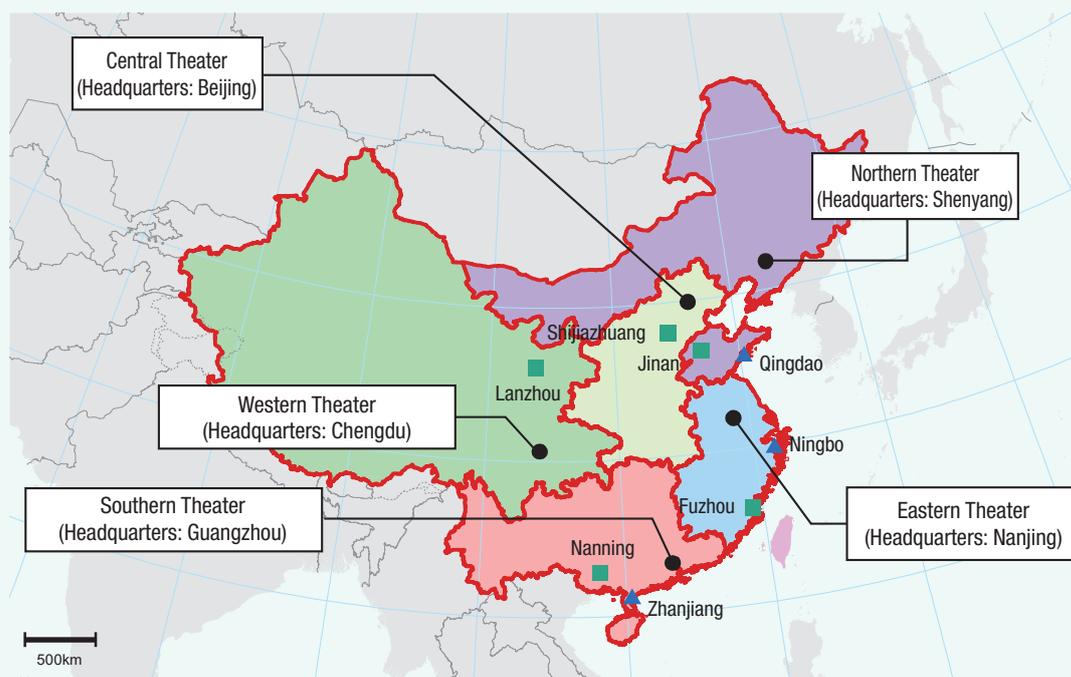
(4) Naval Forces

The naval forces consist of three fleets: North Sea Fleet; East Sea Fleet; and South Sea Fleet. The Chinese Navy has approximately 760 ships (including approximately 60 submarines), with a total displacement of approximately 1.9 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, which are said to be equipped with a vertical launch system (VLS) capable of launching long-range land-attack cruise missiles and YJ-18 anti-ship cruise missiles with a supersonic terminal attack capability.³³ It has also been noted that China is developing submarines capable of carrying land-attack cruise missiles. In addition, the Navy is increasing the number of large landing

32 The Navy Marine Corps, whose duties are thought to include amphibious assault and the defense of bases in the South China Sea, is also being enhanced. In its annual report “Military and Security Developments Involving the People’s Republic of China” (May 2019), the U.S. DoD states that China’s Navy Marine Corps will be increased in strength to 30,000 personnel by 2020 and sees it likely that this force will also undertake expeditionary operations overseas.

33 It was reported in June 2017 that China launched the first Renhai-class destroyer, and had launched a total of four vessels by July 2018. The first one, “Nanchang,” appeared at the International Fleet Review in April 2019.

Fig. I-2-2-3 Deployment and Strength of the People's Liberation Army (image)



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

		China	Taiwan (Reference)
Total military forces		Approx. 2 million troops	Approx. 0.16 million troops
Ground forces	Ground troops	Approx. 0.98 million troops	Approx. 0.09 million troops
	Tanks, etc.	Type-99/A, Type-98/A, Type-96/A, Type-88A/B and others Approx. 6,300 vehicles	M-60A, M-48A/H and others Approx. 1,200 vehicles
Maritime forces	Warships	Approx. 760 vessels 1,899,000 tons	Approx. 390 vessels 205,000 tons
	Aircraft carriers, destroyers, and frigates	Approx. 80 vessels	Approx. 20 vessels
	Submarines	Approx. 60 vessels	4 vessels
	Marines	Approx. 25,000 troops	Approx. 10,000 troops
Air forces	Combat aircraft	Approx. 2,890 aircraft	Approx. 500 aircraft
	Modern fighters aircraft	J-10 × 426 Su-27/J-11 × 349 Su-30 × 97 Su-35 × 24 J-15 × 20 J-16 × 60 J-20 × 12 (under tests) (Fourth and fifth generation fighters (total): 988)	Mirage 2000 × 55 F-16 × 143 Ching-kuo × 127 (Fourth generation fighters (total): 325)
Reference	Population	Approx. 1.39 billion	Approx. 24 million
	Term of service	2 years	The last conscripts were enlisted before the end of 2018. However, the obligation to undergo four months of military training is being maintained for those born in or after 1994.

Note: Data from "The Military Balance 2019," etc.

ships and supply ships. After September 2017, fast combat support ships (comprehensive supply ships) pointed out to be for supplying the aircraft carrier group were commissioned.

With regard to aircraft carriers, following the commission

of the first aircraft carrier Liaoning in September 2012, it appeared that China was continuing to conduct takeoff and landing tests and training using domestic J-15 carrier-based fighters mainly in the Bohai and Yellow Seas.³⁴ In December

³⁴ 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.

Yuan-class submarine

<Specifications,
performance>

Water displacement: 3,600
tons

Speed: Unknown

Main armament: Ship-to-ship missiles (maximum firing
range 40 km), torpedoes

<Description>

New type of domestic submarine adopting air
independence propulsion (AIP) technology, which
provides long-distance submerged navigation and high
degree of quietness. More of this type of submarine are
under construction.



【Jane's by IHS Markit】

Renhai-class destroyer

<Specifications,
performance>

Full load displacement:
12,000 tons

Speed: 30 knots
(approximately 56 km/h)

Main armament: Ship-to-surface cruise missiles, ship-to-
ship missiles (maximum firing range of approximately 540
km), ship-to-air missiles (maximum firing range 150 km)

<Description>

Because it is the largest 10,000 ton-class destroyer in
the PLA Navy, it is also referred to as a cruiser. It is
currently being developed and its production is being
expanded.



【Jane's by IHS Markit】

J-15 carrier-based fighter

<Specifications,
performance>

Speed: Unknown

Main armament: Air-to-air
missiles, air-to-ship/
surface missiles (estimate)

<Description>

Carrier-based aircraft on the aircraft carrier Liaoning. It
has many features in common with the J-11 and Su-33
fighters.



【Jane's by IHS Markit】

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 force-on-force training including carrier-based fighters from March to April 2018 after its participation in a naval review in the South China Sea. These activities are believed to indicate a further expansion of the distant deployment capability of the Chinese Navy. An indigenous aircraft carrier thought to be an improved version of the “Liaoning” with a ski-jump flight deck was launched in April 2017 and has been engaged in pre-commissioning sea trials since May 2018. Furthermore, China is reportedly building its second indigenous aircraft carrier, and it is suggested that this carrier is possibly equipped with an electromagnetic catapult system.³⁵

In view of these developments concerning the naval forces, China appears to be steadily building up capabilities for conducting operations in more distant waters in addition to near sea defense.³⁶

It is pointed out that, among the militia, whose status is China’s armed force other than the military, the so-called

maritime militia is playing the role of the front guard for supporting China’s maritime interests.³⁷ The maritime militia is said to operate in the South China Sea, etc.³⁸ and consist of fishermen and residents of isolated islands. However, the details of the maritime militia have not been revealed. Given the China’s emphasis on the necessity of “fully exerting the overall power of the military, police and militia” on the seas,³⁹ attention is to be paid to these asymmetrical forces, too.⁴⁰

(5) Air Forces

The Chinese Navy and Air force have approximately 2,890 combat capable aircraft in total. As for the fourth generation

³⁵ 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 in its development strategy outline on its website, but later deleted the text.

³⁶ China’s defense white paper “China’s National Defense in the New Era” (July 2019) identifies that the PLA Navy “has a very important standing in the overall configuration of China’s national security and development,” as well as “is speeding up the transition of its tasks from defense on the near seas to protection missions on the far seas” “so as to build a strong and modernized naval force.”

³⁷ In April 2013, when Chairman 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.”

³⁸ 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 maned by maritime militia also arrived as an escort fleet.

³⁹ Instructions by Defense Minister Chang Wanquan (then) when he made an observation tour of the maritime militia equipment in Zhejiang Province in August 2016.

⁴⁰ The status of China’s maritime militia under international law is said to be unclear. On the other hand, when asked in November 2018 about China’s maritime militia, Assistant Secretary of Defense Randall Schriver reportedly said, “we’re less interested in the color of the hull than the activity and the actions.”

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 is believed to have already taken delivery of all 24 fighters. China is also developing its own domestic modern 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 been put into deployment as combat-ready. 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 the fifth-generation fighter, to operational units, and is also developing the J-31 fighter.⁴¹

China is also continuing the modernization of its bombers with ground attack capabilities, and the Chinese Air Force has increased the number of H-6K bombers, which are believed to be capable of carrying land-attack cruise missiles with nuclear capability. The Chinese Air Force is believed to be developing new stealth bombers including a long-range one 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 and the IL-78M tanker and KJ-500 and KJ-2000 early warning and control aircraft.⁴² 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 (UAVs),⁴³ 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 weapons including missiles. 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 improving "Swarm" technology⁴⁴ to operate a large number of low-cost UAVs.

J-10 fighter

<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 main fighter produced domestically. First deployed in 2003, and it is reportedly in mass production.



[Jane's by IHS Markit]

J-20 fighter

<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.



[Jane's by IHS Markit]

KJ-2000 AWACS

<Specifications,
performance>

Details unknown

<Description>

Early warning and control aircraft. A Russian IL-76 strategic airlifter mounted with a radar dome.



[Jane's by IHS Markit]

Y-20 large cargo aircraft

<Specifications,
performance>

Maximum cruising speed:
796 km/h

Maximum payload: 66,000 kg (estimate)

<Description>

Large multipurpose cargo aircraft independently developed by China.

Deployed to military units in July 2016. Reportedly used as a development-base for assets such as air-refueling aircraft.



[Jane's by IHS Markit]

Judging from the modernization of the Navy Aviation and the Air Force, it is believed that China is not only improving its defense capabilities for its national airspace,

⁴¹ It is suggested that in the future, the J-31 fighter could be turned into a carrier-based fighter or be exported.

⁴² The AG-600—the largest amphibious aircraft in the world, which China is developing indigenously—made its first flight in January 2018 and is believed to have carried out its first take-off and landing on water that October. 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 and some take the view that it will facilitate swift transport of personnel and supplies to the South China Sea. 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.

⁴³ 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 "Winglong" attack UAV; the CH-4 "Caihong;" and the CH-7 "Caihong."

⁴⁴ See Chapter3, Section 1 for "Swarm" technology

Fig. I-2-2-4 Major Chinese Navy and Air Forces



Chinese small UAV drones using "swarm" technology [Jane's by IHS Markit]

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.⁴⁵

(6) Space, Cyber, and Electromagnetic Spectrum Capabilities

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 stated that "outer space and cyberspace have become new commanding heights (capture point) in strategic competition among all parties," and 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 operational capabilities for information operations.⁴⁶ In fact, China established the 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

Q See Fig. I-2-2-4 (Major Chinese Navy and Air Forces)

⁴⁵ The defense white paper "China's National Defense in the New Era" (July 2019) identifies "building airspace capabilities and conducting offensive and defensive operations" as a strategy for enhancing the military capabilities of the Air Force.

⁴⁶ While the definition of information operations differs depending on the country, the PLA internally uses 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."

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.⁴⁷ In addition, it has been pointed out that public sector and state-owned enterprises involved in the use of space in China have close ties with the military, and it is considered that China is planning to improve its military operational capabilities in space.⁴⁸ Examples of China’s projects include the launch of the “BeiDou” positioning satellites to form a global satellite positioning system referred to as the Chinese version of GPS; this system is believed to have gone into operation worldwide in late 2018. Another example is a launch of an Earth observation satellite that is suggested to possibly be a reconnaissance satellite for military purposes. Moreover, China is thought to be developing weapons including anti-satellite weapons using missiles and laser equipment, as well as killer satellites,⁴⁹ in order to restrict and interfere with the use of space-based assets by adversaries in wartime.

China has also announced that it will “improve capabilities in support of the awareness of the state of cyberspace, cyber defenses, national cyberspace warfare.” It has been noted that current major military training always contains cyber operations such as both attack and defense of command systems. Cyber attacks on enemy networks are likely to bolster China’s “A2/AD” capabilities.

It has also been pointed out that the Chinese military routinely conducts various force-on-force exercises in an electronic warfare environment. In addition, the presence of aircraft with electronic warfare capability has been noted. Not only Y-8 electronic warfare aircraft, which frequently fly near Japan, but also J-15 fighters and H-6 bombers that appear to be equipped with electronic warfare pod systems giving them electronic warfare capabilities are pointed out. A close watch on developments will continue to be required, because strengthened capabilities in the new domains of space, cyber, and electromagnetic spectrum will not only result in greater operational capabilities throughout the Chinese military, but also lead to improved asymmetrical capabilities to effectively impede enemies from exerting their strength.



Chapter 3 Section 2 (Trends in Space Domain)
Chapter 3 Section 3 (Trends in Cyber Domain)
Chapter 3 Section 4 (Electromagnetic Domain Trends)

(7) Efforts to Develop Joint Operational Capabilities

In recent years, initiatives have been under way to improve joint operational capabilities. The CMC Joint Operations Command Center is believed to have been established as part of the initiatives for the CCP to carry out decision making at the highest strategic level. These actions have also been continuing during the current military reforms, and five new theaters, joint operation headquarters, were established in February 2016. Furthermore, as in January 2017, Vice-Admiral Yuan Yubai became the first non-army theater commander, it is assumed that progress is being made towards joint operations from the viewpoint of human resources. Given also that General Secretary Xi Jinping spoke about developing “strong and efficient joint operations commanding institutions for theater commands” and enhancing joint operational capabilities at the Party’s 19th National Congress in October 2017, these developments are thought likely to progress further. Moreover, in recent years, China has demonstrated a powerful awareness of practical warfare, conducting exercises with the aim of enhancing joint operational capabilities, such as the three services’ joint exercise held in 2018 for the second consecutive year.

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. China has rapidly expanded and intensified its activities in the maritime and aerial domains using its naval and air powers. Specifically in the waters and airspace 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: 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 Maritime Self-Defense Force (MSDF) destroyer, the flight of Chinese military fighter jets abnormally close to an Self-Defense

⁴⁷ “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.

⁴⁸ The Worldwide Threat Assessment (January 2019) by the U.S. Director of National Intelligence pointed out that China is continuing to improve its military and intelligence capabilities in space.

⁴⁹ The Worldwide Threat Assessment (January 2019) by the U.S. Director of National Intelligence pointed out that China is training and equipping its military space forces and fielding new antisatellite (ASAT) weapons to hold US and allied space services at risk.

Forces (SDF) aircraft, and activities that could infringe upon the freedom of overflight, such as the establishment of the “East China Sea ADIZ.” Also in the South China Sea China is moving forward with militarization, as well as expanding and intensifying its activities in the maritime and aerial domains. It is strongly expected that China will act on the basis of the principle of the rule of law, and that it will play active roles in the region and the international community in a more cooperative manner.

 Chapter 3, Section 5 (Maritime Trends)

(2) Military Developments in Japan’s Surrounding Waters and Airspace

The Chinese Navy and Air Force have in recent years expanded and intensified their activities in the surrounding sea areas and airspace of Japan, including the area surrounding the Senkaku Islands. They are also conducting activities based on a unilateral claim on the Senkaku Islands, and cases involving the one-sided escalation of activities have been seen, creating a situation of great concern to Japan. The Air Self-Defense Force (ASDF) has continued to make frequent scrambles against Chinese aircraft, having reached an all-time high of 851 times in FY2016. It is thought that China intends to make a regular occurrence of the navigation of waters surrounding Japan by naval vessels making forays to the Indian Ocean and other distant waters, and of activities that appear to be Navy and Air Force exercises which accompany

KEY WORD

Government ships that belong to maritime law enforcement agencies

Surveillance and other activities at sea used to be conducted by “Maritime Police” (Haijing) of the Ministry of Public Security, “China Maritime Surveillance” (Haijian) of the State Oceanic Administration of the Ministry of Land and Resources, “China Fisheries Law Enforcement Command” (Yuzheng) of the Bureau of Fisheries of the Ministry of Agriculture, “Maritime Safety Administration (Haixun)” of the Ministry of Transport, and the maritime anti-smuggling force of the General Administration of Customs, all of which were under the State Council. In March 2013, China decided to reorganize the four agencies, excluding “Maritime Safety Administration,” into the new “State Oceanic Administration” and that the new organization would carry out surveillance and other activities under the name of “China Coast Guard” (Zhongguo Haijing) under the guidance of the Ministry of Public Security. From July 2018, these maritime security units were placed under the command of the People’s Armed Police (PAP) and ultimately the Central Military Commission as the People’s Armed Police Coast Guard, but maintained the original name of China Coast Guard.

entry into the Pacific Ocean and waters surrounding Japan.⁵⁰ At the same time, it appears that China continues to improve the quality of its activities, and efforts can be seen to build practical joint operational capabilities.

a. 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.⁵¹ Stating its own position regarding Japan’s 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 expanded 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

Shang-class submarine

<Specifications, performance>

Full load displacement:
6,096 tons

Speed: 30 knots (approximately 56 km/h)

Main armament: 37 mm autocannons and 14.5 mm machine guns

<Description>

A new type of nuclear-powered attack submarine. In January 2018, one passed submerged through Japan’s contiguous zone around Miyakojima Island and the Senkaku Islands.



[Jane’s by IHS Markit]

Dongdao-class intelligence gathering vessels (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 Kuchinoerabujima and Yakushima Islands, subsequently navigated within the contiguous zone of Kitadaitojima Islands, and finally navigated back and forth east-west outside the contiguous zone off the south of the Senkaku Islands. It also navigated back and forth outside the contiguous zone off the southeast of the Boso Peninsula in February 2016 and other occasions.



[Jane’s by IHS Markit]

⁵⁰ Concerning the PLA, there is a view that by turning exception into normality through combining peacetime and wartime force deployment and exceeding traditional activity spaces, China attempts to desensitize the alertness of others and make the international community tolerate and accept changes in the situation (Taiwan’s 2009 National Defense Report).

⁵¹ 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.

contiguous zone 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 submerged submarine** and a Jiangkai II-class frigate passed into the contiguous zone around the Senkaku Islands on the same day. This was the first time a submerged Chinese submarine was identified and announced as transiting through these contiguous waters off the Senkaku Islands.⁵²

In recent years, Chinese Navy intelligence gathering vessels (AGIs) have also been found conducting multiple activities. A Chinese Navy **Dongdiao-class AGI** repeatedly navigated back and forth outside of the contiguous zone south of the Senkaku Islands in November 2015. In June 2016, the same type of AGI sailed in Japan's territorial waters near Kuchinoerabujima Island and Yakushima Island, and then sailed within Japan's contiguous zone north of Kitadaitojima Island. Subsequently, the vessel repeatedly conducted east-west passages outside the contiguous zone south of the Senkaku Islands. This was the first navigation by a Chinese Navy vessel in approximately 12 years in Japanese territorial waters.⁵³

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. PLA aircraft have been expanding their areas of activity 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."⁵⁴

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 Sea⁵⁵. In addition, in July 2017, two PLA J-10 fighters reportedly intercepted a U.S. Navy EP-3 electronic reconnaissance aircraft. These are dangerous acts that may have unintended consequences. And in April 2018, an unmanned aerial vehicle presumed to be

a Chinese BZK-005 unmanned reconnaissance vehicle was confirmed to be flying 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, aircraft of the SOA were frequently observed flying near the airspace up through March 2014.⁵⁶ Recently, the scope of the activities of PLA aircraft near the Senkaku Islands has been expanding 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 released an official announcement that ran contrary to the facts, stating that SDF aircraft conducted provocations against the 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.

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.⁵⁷ The advancement routes are multiplying. Chinese naval vessels have been confirmed transiting the sea area between the main island of Okinawa and Miyakojima Island, and have been found passing through the Osumi Strait, sea area between Yonagunijima Island and Nakanokamishima Island near Iriomotejima 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 also planning to make deployments to the Pacific Ocean sailing through waters near Japan regular activities.⁵⁸ Furthermore, considering the nature of the activities it is conducting in distant areas, China is presumably aiming to enhance operational 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

⁵² 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.

⁵³ 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.

⁵⁴ 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". See Chapter 3, Section 5-1 (Trends Related to the "Principle of the Freedom of the High Seas")

⁵⁵ See Chapter 3, Section 5-1 (Trends Related to the "Principle of the Freedom of the High Seas")

⁵⁶ 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 MSDF Destroyer JS "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 MSDF Destroyer JS "Asayuki."

⁵⁷ The number of times Chinese Navy combatant vessels have been active in the waters around the Southwestern Islands, Soya 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), 15 times (2018), and 8 times (as of the end of June 2019, based on SDF announcements).

⁵⁸ In March 2017, when Japan announced the transit of Chinese naval vessels between the main island of Okinawa and Miyakojima Island, a Chinese Ministry of National Defense spokesperson said, "All Japan needs to do is get used to the fact that we will pass through many more times in the future."

Okinawa and Miyakojima Island to advance to the Pacific for the first time. 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 to advance to the Pacific and conducted force-on-force exercises that included carrier-based fighters. At that time, the MSDF, conducting warning and surveillance, confirmed for the first time the vessel used by what are presumed to be carrier-based fighters for take-off and landing on the Pacific Ocean. Moreover, the aircraft carrier Liaoning advanced to the Pacific Ocean through the sea area between the main island of Okinawa and Miyakojima island in June 2019, together with vessels such as a fast combat support ship pointed out to be for supplying the aircraft carrier group. 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 Miyakojima Island in January 2018, it is thought that submarines also conducted some activities in the 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 PLA Navy Y-8 early warning aircraft into the Pacific Ocean, passing between the main island of Okinawa and Miyakojima Island, was confirmed for the first time in July 2013. The advancement of Air Force aircraft into the Pacific was also confirmed in 2015. Since 2017, advances into the Pacific Ocean via this airspace have become more active, with flights totaling 18 passages in 2017, and 10 in 2018. This is a significant increase from the five flights confirmed in 2016.⁵⁹ The types of aircraft passing through the airspace are also diversified year by year. The H-6K bombers and Su-30 fighters were confirmed by 2016 and the first Y-8 EW aircraft in July 2017. It was confirmed by sight that at least one of the H-6K bombers that flew in September 2016 carried objects in the form of missiles.⁶⁰

Flight patterns have also been changing. Flights from the East China Sea to the Pacific Ocean, passing between the main island of Okinawa and Miyakojima Island, and from the direction of the Bashi Channel to the Pacific Ocean, both with the return trips on the same shuttle routes, have been repeatedly made. Since November 2016, H-6K bombers and other aircraft were frequently confirmed to be flying from the south of the Sakishima Islands to the East China Sea, passing between the main island of Okinawa and Miyakojima Island, and from the East China Sea toward the Bashi Channel passing between the main island of Okinawa and Miyakojima Island.⁶¹ 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 Miyakojima 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 areas including those surrounding Japan, 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.⁶² 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 sea and air joint operational capabilities, such as activities like air-to-ship attack drills when entering the Pacific Ocean, have also been seen in recent years.⁶³ China's naval and air activities in the Pacific Ocean will be expanded and intensified further, and continued attention is to be paid for related trends.

c. Activities in the Sea of Japan

While the Chinese Navy has been active in the Sea of Japan during training and on other occasions for some time, its Air Force activities in the area have also intensified of late. "Force-on-force exercises" in the Sea of Japan by Chinese Navy forces were announced for the first time in August 2016, during which 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

⁵⁹ Since 2013, air forces have passed between the main island of Okinawa and Miyakojima Island to advance to the Pacific Ocean 5 times (2013), 5 times (2014), 6 times (2015), and 5 times (2016).

⁶⁰ The U.S. DOD's "Annual Report to Congress: Military and Security Developments Involving the People's Republic of China" (August 2018) states that the H-6K bomber's ability to carry the CJ-20 (CJ-10) land attack cruise missile, which allows for more long-distance attacks, allows China to target as far as the second island chain including Guam. It then pointed out that the Chinese military appears to be actually carrying out training in which the United States and its allies and partners are the targets.

⁶¹ When flights of this nature were confirmed in December 2017, a Chinese Air Force spokesperson stated that they were "island (Taiwan) encirclement" drills."

⁶² See Section 2-2-6 (4); Chapter 3, Section 5-1 (2)

⁶³ For example, when H-6 bombers and Su-30 fighters made forays into the Pacific Ocean via the Bashi Channel in December 2018, two combatant vessels were also navigating waters in the vicinity, leading some to take the view that they were engaged in joint operations.

vessels and aircraft were said to have carried out joint force-on-force 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 H-6K bombers and Su-30 fighters, 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.⁶⁴

Activities in the Sea of Japan involving passages through the Tsushima Strait intensified further in 2018, with 17 passages by the Navy and eight overflights by the Air Force confirmed over the course of the year. This marks a substantial increase from the numbers confirmed in 2017 (four passages and two overflights).⁶⁵ It is considered that the PLA will continue to expand and intensify its activities in the Sea of Japan.

(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 (Uotsurishima Island, Kitakojima Island, and Minamikojima Island). Since October 2013, Chinese government vessels have repeatedly intruded into these territorial waters, and the posture of the intrusions have become more reinforced.⁶⁶

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



A vessel of the CCG repeatedly intruding into Japan's territorial waters around the Senkaku Islands [Courtesy of the Japan Coast Guard]

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 tons or larger-class vessel since August 2014. Since February 2015, three 3,000 tons 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 ton-class patrol vessels.⁶⁷

It appears that the operational capabilities of Chinese government vessels in the sea areas around Japan are also improving. In early August 2016, approximately 200-300 Chinese fishing boats advanced to the contiguous zone off the Senkaku Islands. At that time, as many as a maximum of 15 Chinese government vessels were confirmed in 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.⁶⁸ 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 attempts to unilaterally change the status quo by coercion. China's actions to escalate the situation are 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 constitutes an invasion of

⁶⁴ The ROK Joint Chiefs of Staff announced that the PLA aircraft carried out "unusual reconnaissance activities" within South Korea's ADIZ.

⁶⁵ In 2016, the PLA Air Force flew over the Tsushima Strait into the Sea of Japan three times, while the number of instances of its Navy sailing through the Tsushima Strait into the Sea of Japan each year since 2008 is as follows: 1 in 2008, 0 in 2009 and 2010, 2 in 2011, 0 in 2012, 2 in 2013, 1 in 2014, 2 in 2015, and 6 in 2016.

⁶⁶ While with some exceptions, Chinese government vessels often intrude into Japan's territorial waters two to three times a month from around 10 a.m. for about two hours. The number of vessels had been two to three until August 2016. Since then, four vessels often intrude into territorial waters in a group.

⁶⁷ "China Coast Guard 2901" and "China Coast Guard 3901" are also reportedly conducting test navigation. These government vessels allegedly carry a 76 mm cannon.

⁶⁸ Thereafter, from mid-August, confirmed cases of activity such as intrusion into territorial waters by Chinese government vessels returned to about the same level as before early August.

Fig. I-2-2-5 PLA's Recent Activities in the Surrounding Sea Area and Airspace of Japan (image)

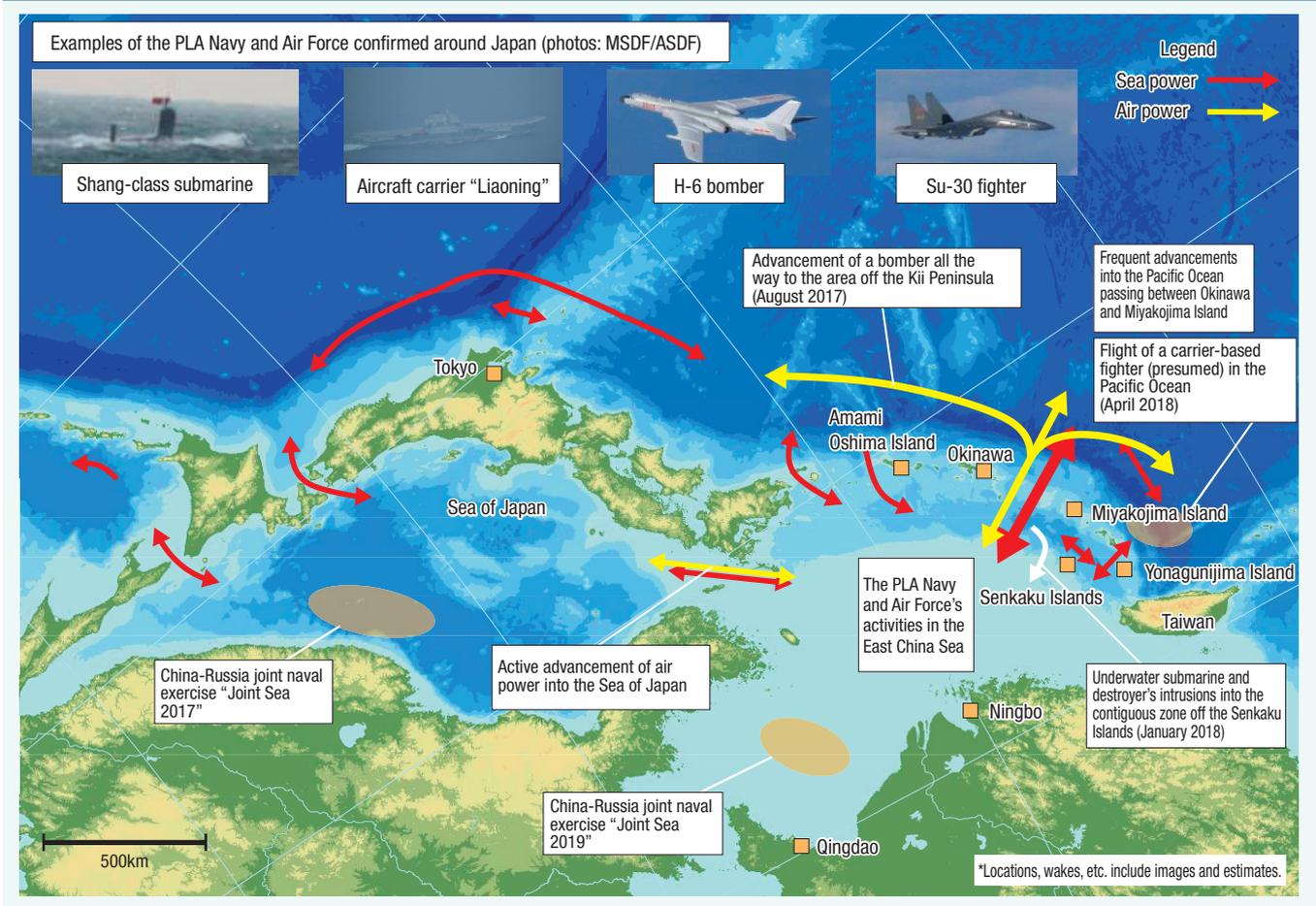
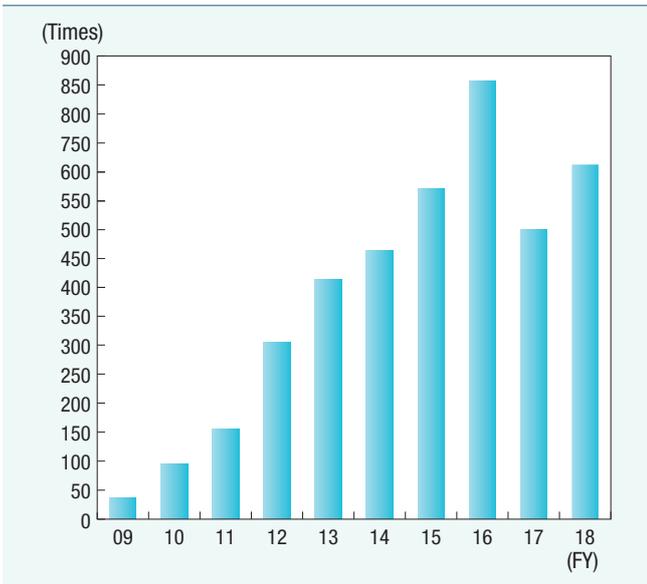


Fig. I-2-2-6 Changes in the Number of Scrambles against Chinese Aircraft



territorial airspace and represents a unilateral escalation of the situation.

Besides the waters around the Senkaku Islands, Chinese

government vessels were confirmed to be passing through the territorial waters of Japan around Tsushima (Nagasaki Prefecture), Okinoshima Island (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 (CCG),⁶⁹ that was formally launched in July 2013. It was reported that the Navy and the CCG 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 CCG was incorporated into the PAP under the centralized leadership and command of the Central Military Commission. The way of the military and the CCG cooperation in the future is worthy of attention.⁷⁰

Q See Fig. I-2-2-5 (PLA's Recent Activities in the Surrounding Sea Area and Airspace of Japan (image))
 Fig. I-2-2-6 (Changes in the Number of Scrambles against Chinese Aircraft)

⁶⁹ It has been suggested that in 2015, Jiangwei I-class frigates and in 2012, Luda-class destroyers were handed over from the Chinese Navy to the CCG.

⁷⁰ In December 2018, Rear Admiral Wang Zhongcai was reportedly appointed to the vacant position of commander of the CCG. This is expected to lead to stronger cooperation between the military and the police.

(4) Trends in 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,⁷¹ China pressed ahead with large-scale and rapid land reclamation works.⁷² The Philippines-China arbitration award issued in July 2016 denied 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 militarize the features, with the development of military facilities, such as batteries, and various kinds of infrastructure that can be used for military purposes including runways, ports, hangars, and radar facilities.⁷³ During the 19th National Congress in October 2017, General Secretary Xi 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 was constructed. In January 2016, China declared completion of a 3,000 meter-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.⁷⁴ 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.⁷⁵ In January 2018, Y-7 transport aircraft were reported on Mischief Reef, and Y-8 special mission aircraft were confirmed on 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 Fiery Cross, Subi and Mischief Reefs as part of a military training, and that radar jamming 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, has made 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.

China has similarly carried out militarization of the Paracel Islands before its militarization of the Spratly Islands. 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 Scarborough Shoal, where a standoff took place between Chinese and Philippine government ships in April 2012. It is pointed out that new land reclamations in the shoal might be seen in the future.⁷⁶ It is also pointed out that if China conducts land reclamations and installs radar facilities, runways, and other infrastructure in Scarborough Shoal, it could possibly increase its ability to track the situation and power projection capabilities in the surrounding sea area and ultimately enhance its operational capabilities throughout all the 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 and intensifying as well. In March 2009, December 2013 and September 2018, Chinese naval and other vessels approached and intercepted a U.S. Navy vessel navigating in the South China Sea. In May 2016, February 2017 and May 2017, a PLA fighter allegedly flew close to U.S. Forces

⁷¹ The seven features are: Johnson South Reef; Cuarteron Reef; Gaven Reefs; Hughes Reef; Fiery Cross Reef; Mischief Reef; and Subi Reef.

⁷² 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.

⁷³ The international community also has repeatedly suggested that China is militarizing its activities in the South China Sea. For example, the U.S. DOD’s “Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China” (August 2018) states “The United States opposes further militarization of disputed land features,” recognizing that “China’s reclamation activities have far surpassed that of other claimants.” In June 2018, then Secretary of Defense James Mattis said, “China’s militarization of artificial features in the South China Sea includes the deployment of anti-ship missiles, surface-to-air missiles, electronic jammers, and more recently, the landing of bomber aircraft at Woody Island.”

⁷⁴ China is believed to have conducted three test flights at Fiery Cross Reef on January 2, 3, and 6 of 2016. In response, the spokesperson of the Ministry of Foreign Affairs of Vietnam expressed strong opposition on January 2, and the Philippines protested in writing on January 8.

⁷⁵ On July 14, 2016, the spokesperson of the Vietnam Ministry of Foreign Affairs protested that it was an infringement on Vietnamese sovereignty.

⁷⁶ In March 2016, with regard to China’s activities near Scarborough Shoal, U.S. Chief of Naval Operation John Richardson stated, “I think we see some surface ship activity and those sorts of things, survey type of activity, going on. That’s an area of concern...a next possible area of reclamation.” Moreover, in November 2018, it was reported that China installed a facility of what appears to be an information collection sensor on the Bombay Reef in the Paracel islands without undergoing massive reclamation. The possibility of China conducting the same type of construction activities—meaning constructions not requiring massive reclamation—in the Scarborough Shoal has been pointed out.

aircraft, etc. In July and August 2016, after the Philippines-China arbitration award was rendered, PLA Air Force H-6K bomber aircraft conducted “combat air patrol” in the airspace close to Scarborough Shoal. The Chinese Ministry of National Defense announced that this patrol would “become normal.”⁷⁷ In September of the same year, the China-Russia joint naval exercise “Joint Sea 2016” was conducted for the first time in the South China Sea. A field training exercise by naval vessels including the 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 naval vessels are constantly active in some waters of the South China Sea.⁷⁸ There was an event where Chinese government vessels fired warning shots at fishing boats of neighboring countries. In this manner, it appears that China seeks to expand its military and other forms of presence and enhance its operational capabilities in the South China Sea.⁷⁹

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.⁸⁰ In response to the growing international concerns over the development on the features, China asserts that some of the 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.⁸¹ However, China’s development work on the features is of a scale incomparable to the activities carried out by other countries and is conducted at a rapid pace.⁸²

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 heighten tension and act on the basis of the principle of the rule of law.

 See Fig. I-2-2-7 (China’s development on the features of the Spratly islands)

Chapter 2, Section 6 (Southeast Asia);
Chapter 3, Section 5 (Maritime Trends)

(5) Trends in the Indian Ocean and Other Seas

The Chinese Navy is considered to be shifting its naval forces towards “protection missions on the far seas,” 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 foreign port. 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 another submarine reported to be a 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. Moreover, in January 2018, China published a white paper entitled “China’s Arctic Policy,” which mapped out a policy of active involvement in Arctic initiatives, including efforts to build a “Polar Silk Road” through the development of Arctic sea routes.

Additionally, China has been remarkably trying to secure overseas bases such as harbors, which would help support its operations in far seas. For example, in August 2017, China began operation of “support base” for logistics support of the PLA in Djibouti, a strategic point in East Africa facing the Gulf of Aden, and it has been ascertained that a pier has been constructed on the coast adjoining the base facilities since April 2018. As observers have pointed out that 48,000-ton supply ships — the largest available class of the PLA — can be accommodated at this pier, there is a possibility that this facility will substantially increase the Chinese military’s

⁷⁷ 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 its Air Force aircraft carried out “flight training and other activities around the islands.”

⁷⁸ In November 2017, it was reported in a local newspaper that Delfin Lorenzana, Secretary of National Defense of the Philippines 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 CCG Ships regularly visited the artificial islands in the Spratly Islands.

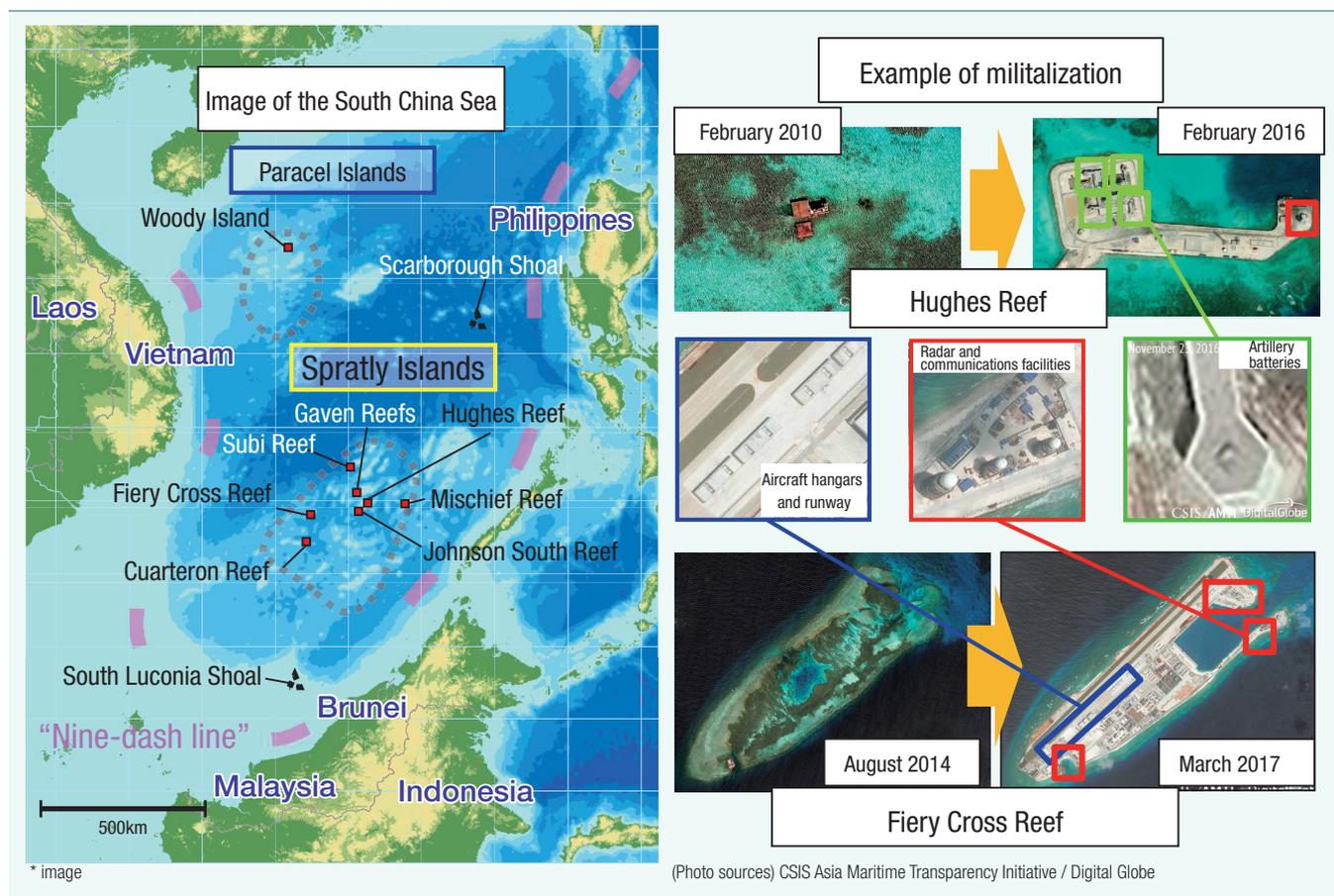
⁷⁹ China is reportedly constructing a large-scale naval base that has underground tunnels for nuclear-powered submarines in the city of Sanya located in the southern tip of Hainan island. Experts point out that the base is in a strategically important location that secures access to the South China Sea as well as the 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.

⁸⁰ As a concern from the United States, for example, in May 2018, the U.S. DoD canceled the PLA’s invitation to 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’ Communique 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.”

⁸¹ Remark by the spokesperson of the Ministry of Foreign Affairs of China on April 29, 2015.

⁸² 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.”

Fig. I-2-2-7 China's development on the features of the Spratly islands



logistical support capabilities. In recent years, China has been promoting its **“Belt and Road” Initiative**⁸³ whose main purpose is advertised as establishing an economic zone in regions including the Eurasian continent, with the Chinese military possibly taking on the role of the shield behind the initiative by such means as the stabilization of areas via counter-piracy activities and the improvement of counter-terrorism capabilities in coastal states through joint exercises. Furthermore, while it is thought that the initiative includes a strategic intention to expand its influence in the region, it is possible that the construction of infrastructure based on the initiative 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, and further improve the operational capabilities of the PLA Navy in the further waters such as the Indian Ocean.

(6) Objectives of Activities in Waters and Airspaces

Taking into consideration such factors as the development and activities of Chinese naval and air forces, 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 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 the prevention

KEY WORD

“Belt and Road” Initiative

A concept for an economic sphere proposed by President Xi Jinping. The “Silk Road Economic Belt” (“One Belt”) and the “21st Century Maritime Silk Road” (“One Road”) were announced in September and October 2013, respectively. Since then, the two concepts are collectively referred to as the “Belt and Road” Initiative.

⁸³ 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.

of foreign intervention in the Taiwan issue, China needs to enhance its operational capabilities at sea and airspace as Taiwan is surrounded by the sea in all directions.

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 maritime 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 2013.⁸⁴ 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 China's unilateral development and demanded the termination of such work.⁸⁵

The fifth is to defend its sea lanes of communications. 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 specific areas of its sea lanes which the Chinese Navy deems to 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 in China's water and airspace activities and recent trends, 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 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, adopted 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 June 2018, Japan and China started implementation of the Maritime and Air Communication Mechanism between the Defence Authorities of Japan-China to avoid unexpected situations between SDF and PLA vessels and aircraft.⁸⁶

7 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 PKO. According to the Ministry of National Defense of China, it has sent more than 37,000 military personnel to it.⁸⁷ According to the United Nations, as of the end of April 2019, China has a total of 2,497 troops, civilian police and military observers — the largest number of peacekeepers among any of the permanent members of the UN Security Council — engaged in UN peacekeeping activities, including the United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA). China has also largely increased its UN budget allocation for PKO.⁸⁸ China has a growing presence in UN PKO. It is deemed that underlying China's proactive attitude towards UN PKO is China's wish to strengthen its relations with the regions where PKO 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 2011, in view of the deteriorating situation in Libya, China carried out a military evacuation of Chinese

⁸⁴ On November 1, 2016, Foreign Minister Kishida (then) revealed that additional 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."

⁸⁵ With regard to resource development in the East China Sea, in September 2010, China unilaterally announced postponement of the negotiation to conclude an international agreement with Japan for implementing the so-called "June 2008 Agreement." While the negotiation has not been resumed yet, it is pointed out that China is highly likely carrying out gas production in the Kashi gas field (Tianwaitian in Chinese) and elsewhere. Meanwhile, China's SOA announced that the "Haiyangshiyou 981" oil rig succeeded in its first drilling in the South China Sea in May 2012.

⁸⁶ See Part III, Chapter 3, Section 1-2 6 (China)

⁸⁷ According to the Chinese Ministry of National Defense website (May 2019). In September 2017, China announced that it had registered 8,000 troops under the UN Peacekeeping Capability Readiness System.

⁸⁸ China's share of the UN PKO budget was approximately 6.6% in 2015, ranking it sixth. It then increased significantly in 2016, exceeding Japan and ranking China second after the United States. Its share in 2018 is approximately 10.2%. China's contribution to the UN Regular Budget in 2019 and 2020 is second only to that of the United States, overtaking Japan.

nationals for the first time. In 2015, based on the worsening situation in Yemen, the Chinese Navy's counter-piracy forces evacuated foreign nationals, including one Japanese national, living in Yemen. More recently, when a dam in Laos collapsed in July 2018, the PLA, which was conducting a joint medical rescue exercise with the Laotian military at the time, engaged in rescue operations at the request of Laos. While these activities have received international praise, it has been pointed out 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 promoted practical exercises including large-scale ones such as joint exercises led by theater commands, force-on-force exercises, landing exercises, and exercises that step across military regions and theaters, as well as night-time exercises and joint exercises with other countries in order to strengthen its operational capabilities. President Xi repeatedly stating the goal of “being able to fight and winning battles” is construed as evidence that the PLA is promoting the implementation of more practical exercises. The new military training regulations in effect since January 2018 referred to the execution of joint and full-spectrum operation based on network information systems, in addition to the definite implementation of practical training as a rule. Moreover, the trial regulation on the supervision of military training that took effect in March 2019 is regarded as China's first attempt to put in place a system that prescribes measures to rectify practices that are inconsistent with the requirements of actual combat and criteria for identifying malpractice and discipline violations during military training.

In the education spectrum as well, the PLA aims to train soldiers who have the ability to execute 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 joint and 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, and the

personnel development system.

China outlined the promotion of “rule of law” at the fourth plenary session of the 18th CCP Central Committee in 2014, and it is thought that the PLA will also be required to thoroughly implement the “rule of law.” One example 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. The “civil-military fusion” policy that China is currently promoting is believed to have its sights set on the routine military use of civilian resources. For example, civilian vessels have recently been observed transporting military equipment and it is possible that such activities will continue to be proactively implemented going forward.

9 National Defense Industry Sector

While China imports highly sophisticated military equipment and parts that it cannot produce domestically from other countries such as Russia, it is believed that China places emphasis on enhancing its military industrial sector including the advancement of producing indigenous equipment to modernize its military. It has been pointed out that China is acquiring such equipment not only through an ambitious program of technology research and development, along with foreign direct investment, but also via illegal means, in the form of cybertheft.⁸⁹

The civil-military fusion strategy, which President Xi views significant as a national strategy, is also being promoted in the field of defense technology,⁹⁰ and reform in the Chinese defense industry is under progress. 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

⁸⁹ The U.S. DOD's “Annual Report to Congress: Military and Security Developments Involving the People's Republic of China” (May 2019) notes that China uses cyber technology and other means to acquire foreign sensitive, military and dual-use technologies. In November 2018, the U.S. Department of Justice indicted Chinese intelligence officers on suspicion of having used cyber attacks and other means to steal aviation technology from private companies in other countries.

⁹⁰ As a specific example, in the field of engine development and manufacturing for 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.”

China in recent years has promoted Civil-Military Fusion (CMF) as a national strategy in addition to the traditional development of national defense mobilization for the military use (including requisition) of civil resources in emergency. CMF is viewed to include not only the national defense mobilization system in emergency but also the promotion of the military use of civil resources in peacetime and in times of emergency as well as the transfer of military technologies to the private sector.

The promotion of CMF is expected to allow the PLA to improve the efficiency of military force enhancement, taking advantage of civilian technologies, including high technologies. In fact, President Xi Jinping has reportedly emphasized initiatives in maritime, space, cyber, artificial intelligence and other “emerging areas for China” as the CMF priorities at such occasions as the first meeting of the Central Commission for Integrated Civil-Military Development in 2017. In addition, standardized commercial products in the production stage for potential requisition will be more suitable for actual requisition. Accordingly, the future effects of CMF on PLA operational capability improvement are attracting attention.

and produce nuclear weapons, missiles, rockets, aircraft, vessels, and other conventional weapons. In doing so, China promotes, in particular, two-way technological exchanges where military technologies are utilized for developing the national economy, and, in turn, civilian technologies are absorbed for a buildup of national defense. As a result, specifically, the technologies of the defense industry have contributed to the development of civilian space exploration,

the aviation industry, and the shipbuilding industry.

Furthermore, China encourages and supports international cooperation and competition in dual-use industries. China is thus thought to have interest in absorbing foreign technologies through dual-use industries. There is a possibility that the modernization of the PLA will be further pushed forward by proactively introducing advanced technologies from overseas in this way.

3 Relations with Countries and Regions

1 General Situation

China, particularly regarding 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 acts into faits accomplis. It has advocated building a “community of shared future for mankind”⁹¹ 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,” is promoting its “Belt and Road” Initiative as a national strategy. Furthermore, there have also been moves

toward creating its own international order, including the establishment of a China-led multilateral mechanism,⁹² and it has been noted that China has tried to influence political decisions in other countries through efforts such as winning over foreign politicians.⁹³ On the other hand, moves to review projects have been seen among some countries cooperating in the “Belt and Road” Initiative, due to such factors as their deteriorating financial situation.

At the same time, 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, China proactively carries out military exchanges in its relationships with other countries. 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

91 General Secretary Xi, at a Central Conference on Work Relating to Foreign Affairs in June 2018, underlined the “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.

92 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).

93 In submitting an amendment to national security legislation to the Parliament of Australia in December 2017, then 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. We take these reports very seriously.”

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 building foreign bases. China is believed to position military exchanges as a strategic means to safeguard its national interests.

2 Relations with Taiwan

Q 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 trade issues, issues concerning the South China Sea, the Taiwan issue, and human rights issues in China. However, China deems its relationship with the United States as one of the world's most important bilateral relationships and appears to be aware that a stable U.S.-China relationship is essential in enhancing its national power, including the development of its economy. Accordingly, while demonstrating an uncompromising stance on its "core interests and major concerns," China is trying to further develop relations with the United States through mutual respect and "win-win" cooperation.⁹⁴ Although China and the United States are thought to want stable bilateral relations to continue going forward, the recent movements of both countries keeping each other in check are attracting great concern.

Since the start of the Trump administration, the United States has made frequent statements on the necessity of cooperation between the United States and China on issues such as North Korea. At the same time, it also called on China to uphold international rules and norms on global issues, including international trade and maritime security. Amid this situation, the Trump administration has been toughening its stance on China since June 2018 through such measures as the phased raising of import duties, on the



Abnormal approach by a Chinese naval vessel to a U.S. Navy vessel, reportedly occurred in the South China Sea [Jane's by IHS Markit]

grounds of China's unfair trade practices over many years. China has also responded with countermeasures such as the phased raising of import duties.⁹⁵ Furthermore, the United States regards China as one of the "revisionist states" trying to shape the world along its own authoritarian model, and has indicated that the re-emergence of long-term strategic competition by these revisionist powers is a central challenge to its prosperity and security. With this as a backdrop, the United States recognizes that China is pursuing regional hegemony in the Indo-Pacific in the near future through the modernization of its military and other efforts.⁹⁶ Additionally, in the MDR published in January 2019, the U.S. DoD indicated that it perceives the missile capabilities of China and other states as a threat to the military forces of both the United States and its allies. 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. 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

⁹⁴ Then Vice President Xi Jinping first used the "New Model of Major-Country Relations" in talks with then U.S. President Obama during his visit to the United States in 2012. China explains that the concept is based on: (1) no conflict, no-confrontation; (2) mutual respect; and (3) win-win cooperation. However, it is said that President Xi Jinping made no mention of it when he met with U.S. President Donald Trump after April 2017.

⁹⁵ For example, the United States has expressed criticism of China's "Made in China 2025" hi-tech industrial development policy of subsidies and other measures, on the grounds that it involves unfair business practices that improperly disadvantage the economies of the United States and other countries. China's foreign investment law was passed at the second annual session of the 13th National People's Congress, which took place in March 2019. While the law includes provisions banning forced technology transfer from foreign companies and imposing legal liability in respect of infringements of intellectual property rights, some have questioned its effectiveness.

⁹⁶ United States National Defense Strategy (January 2018).

assertive actions.⁹⁷ And the United States also implements the Freedom of Navigation Operation⁹⁸ in the South China Sea to counteract excessive claims to maritime interests by other countries such as China. In May 2018, DoD disinvited China to RIMPAC held in that year because of “China’s continued militarization of islands in the South China Sea.”⁹⁹ That September, a Chinese naval vessel came within 45 yards (about 41 meters) of US Destroyer Decatur when it was conducting Freedom of Navigation Operations in the South China Sea.

Embracing these differences, it can be seen that both the United States and China have continued military exchanges in a relatively stable manner.¹⁰⁰ A hotline between the defense authorities 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 exercises have been conducted between the Chinese and U.S. navies on the occasions of mutual port visits. In addition, 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 a series of new dialogue frameworks were launched. For example, 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 June of the same year and the second meeting was held in November 2018.¹⁰¹ 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.

However, there are movements which indicate change in the military exchanges that have transitioned rather stably in recent years. The second dialogue under the Joint Staff Dialogue Mechanism, which was due to take place in September 2018, was reportedly postponed. Moreover, the Defense Authorization Act for FY2019, which includes a clause to prohibit inviting China to RIMPAC until the

demilitarization of the South China Sea is achieved, was approved in the U.S., and the U.S. also decided not to send its vessels to the International Fleet Review that China hosted in April 2019.

While wanting a better relationship with China, the United States has demonstrated an uncompromising stance on matters concerning its own security and economy. Developments in U.S.-China relations will continue to require close monitoring with keen interest.

4 Relations with Russia

Ever since the so-called 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 Cooperation¹⁰² 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.¹⁰³ 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 still shows strong interest in continuing to import Russia’s advanced equipment. For example, as well as introducing what are believed to be the latest fourth generation Su-35 fighters, China signed a contract in 2014 to purchase S-400 surface-to-air missile systems from Russia. Delivery of these missile systems began in 2018 and the Chinese military is reportedly testing them. 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

⁹⁷ See footnote 80.

⁹⁸ See Chapter 2 Section 1-1 for the “Freedom of Navigation Operation” conducted by the U.S. in the South China Sea.

⁹⁹ Chinese naval vessels participated in the same exercise conducted in 2014 and 2016.

¹⁰⁰ There were instances in the past, when the U.S. 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, in cases of recent notices, although China vigorously protested, it has made no remarks about canceling military exchanges with the United States, and has taken a more restrained approach than in the past.

¹⁰¹ It was reported that, at both 1st and 2nd meetings, consultations were held on the issue of North Korea, the South China Sea, and U.S.-China military exchanges, among other matters.

¹⁰² Regarding the military field, this treaty mentions military confidence building or strengthening of mutual troop reductions in border areas, military cooperation such as military technical cooperation, and holding discussions in the event that there is awareness of any threat to peace.

¹⁰³ According to Stockholm International Peace Research Institute (SIPRI), Russia accounts for 70% of China’s arms imports from 2014 to 2018.

with China in arms exports.¹⁰⁴

Military exchanges between China and Russia take place in such forms as routine mutual visits by senior military officers and joint exercises. For example, in 2018, China participated in the Vostok 2018 exercise, which is said to have been one of the largest Russian military exercises since the end of the Cold War. Additionally, the two countries have held the large-scale naval joint exercise “Joint Sea” since 2012,¹⁰⁵ and held it, for the first time, in the Baltic Sea and Sea of Okhotsk in 2017. In 2016 and 2017, the two countries held “Aerospace Security,” a joint missile defense computer-simulated exercise. China likely regards these exchanges as an opportunity to learn about the operating methods of Russian-made weapons and the operational doctrine of the Russian Armed Forces, which have combat experience. Furthermore, China holds the joint counter-terrorism exercise “Peace Mission” between China and Russia or among the Shanghai Cooperation Organization (SCO; established in June 2001) member countries including China and Russia.¹⁰⁶

In addition, China and Russia made a bombers’ flight, in which they gathered in the Sea of Japan, to the East China Sea in July 2019 with China’s announcement of “the first time joint strategic flight.”

5 Relations with Other Countries

(1) Relations with Southeast Asian Countries

As for its relations with countries in Southeast Asia, reciprocal summit-level visits and other activities continue to be carried out actively. China is also actively involved in multilateral frameworks such as ASEAN Plus One (China), ASEAN Plus Three (Japan, China, the ROK) and AARF. In November 2018, Premier Li Keqiang attended multilateral meetings in Singapore 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 the first ASEAN-

China Maritime Field Training Exercise, which took place in October 2018, following on from a tabletop exercise held that August. 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 member states are likely to have concerns about China’s advance into the South China Sea, but in 2018, no conflicts between China and these countries over territorial rights in the South China Sea have apparently intensified. The Philippines instituted arbitral proceedings¹⁰⁷ 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, against the backdrop of China providing the Philippines with substantial economic support, the Philippines is said to have refrained from referring to the ruling.¹⁰⁸ 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.¹⁰⁹ However, concerns about the situation in the South China Sea were expressed anew in the Chairman’s Statement of the 32nd ASEAN Summit (April 2018), which was chaired by Singapore. 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. Additionally, China and ASEAN are continuing to discuss the formulation of the Code of Conduct of Parties in the South China Sea (COC) and Chinese Premier Li Keqiang announced in November 2018 that he hoped to complete negotiations within three years.

 See Chapter 3 Section 5 (Maritime Trends)

¹⁰⁴ It is suggested that China is plagiarizing, copying, and reverse-engineering military science technologies, including redesigning its own J-11B fighter based on the Russian-made Su-27 fighter. Feeling strong discontent and casting doubts over China, it is suggested that Russia is cautious about supplying state-of-the-art equipment to China, such as the Su-35 fighter and the S-400 surface-to-air missile. For example, Russia has allegedly requested that the agreement regarding the supply of Su-35 fighters requires the payment of a vast amount of compensation if China produces copied fighters. It has also been noted that Russia may supply only the S-400 missiles with relatively short ranges.

¹⁰⁵ Joint Sea was held in April 2012, July 2013, May 2014, May and August 2015, and September 2016 in the Yellow Sea, the Sea of Japan off the coast of Vladivostok, northern East China Sea, the Mediterranean Sea, the Peter the Great Gulf, and the South China Sea, respectively. Although it did not take place in 2018, it was held from April to May in 2019 off the coast of Tsingtao and within Chinese territorial waters.

¹⁰⁶ The Peace Mission exercise was held among China and Russia in August 2005, July 2009, and July to August 2013, and among the SCO member countries including China and Russia in August 2007, September 2010, June 2012, August 2014, September 2016, and August 2018.

¹⁰⁷ See Chapter 3, Section 5-1.

¹⁰⁸ It had been pointed out that over the last several years China had been dispatching maritime law enforcement vessels appearing to belong to the CCG 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 even 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.”

¹⁰⁹ This was the first time that concerns about the situation in the South China Sea went unmentioned since the Chairman’s statement at the ASEAN summit in May 2014.

(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. Some note that China has recently been beefing up its involvement in efforts to stabilize the situation in Afghanistan. Moreover, China is strongly interested in the abundant 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 summit 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 China, it is believed that the importance of Pakistan is rising for China accordingly, 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 the "Belt and Road" Initiative. While some have pointed out that the project has run into difficulties due to Pakistan's deteriorating financial situation, the project's progress is expected to increase China's influence in Pakistan.¹¹⁰

China and India have undemarcated border areas.¹¹¹ Additionally, China and Bhutan, which has close relations with India, claim territorial rights over the Doklam Plateau, and the area saw a standoff between Chinese and Indian

military forces 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.¹¹² 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 omnidirectional diplomacy and won the election in January 2015, suspended the Colombo Port City development projects financed by China. However, he subsequently announced the resumption of the projects 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. Some have noted that these moves constitute what has been described as a "debt trap." 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.¹¹³

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. In December 2018, China and India resumed their joint "Hand-in-Hand" counter-terrorism exercise, which had been interrupted by the Doklam standoff.

(4) Relations with European 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, strongly requests EU countries to lift their **arms embargo against China** which has been imposed since the Tiananmen Square incident in 1989.¹¹⁴

EU member countries possess more advanced military related technologies than China or Russia regarding information communication technology, avionics, and air independence propulsion (AIP) systems for submarines and other areas. Therefore, if the EU arms embargo on China were

¹¹⁰ China announced that it would invest US\$46 billion in CPEC. Although China is reported to have increased the sum it plans to invest to US\$62 billion, it has been noted that some individual projects have been subject to delays and cancellations.

¹¹¹ They include the Kashmir region and the state of Arunachal Pradesh.

¹¹² At the meeting with Prime Minister Mohdi of India in September 2017, President Xi Jinping is reported to have stated that "China and India must adhere to the basic judgment that they will regard each other as chances for development and not pose a threat to each other."

¹¹³ According to SIPRI, Bangladesh accounts for 16% of China's arms exports from 2014 to 2018, which is the second largest share.

¹¹⁴ For example, in November 2010, then Chinese President Hu Jintao visited France, and on this occasion, China and France announced a joint statement that included text supporting the lifting of the arms embargoes against China. It is deemed that some EU countries have positive opinions about the lifting of their arms embargoes against China. In its December 2018 policy paper on the EU, too, China requests that these arms embargoes be lifted at an early date.

lifted, the weapons and military technologies of EU countries could transfer to China and 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 remains unchanged, there is still need to pay continuous attention to future discussions within the EU.

Additionally, China and Ukraine have close ties in the field of arms procurement, as indicated by China's purchase of the unfinished Ukrainian Kuznetsov-class aircraft carrier "Varyag," which was the basis of the aircraft carrier "Liaoning." Therefore, the relationship between these two countries will attract attention going forward.¹¹⁵

(5) Relations with Middle East and African Countries, Pacific Island countries, and Central and South American Countries

China has been enhancing its relations with Middle Eastern and African nations in the economic realm, including providing active assistance for their infrastructure development and investment in their resource and energy development, and has been further expanding its influence in the region. In recent years, not only are there intensive interactions among state leaders and senior military officials, but also arms exports and exchanges between military forces are actively conducted. China also actively dispatches personnel to undertake UN PKO in Africa. Some view that underlying these movements could be China's aim to ensure a stable supply of natural resources and to secure overseas bases in the future. 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.

In terms of China-Australia relations, a Chinese company's agreement with the Northern Territory Government of Australia to lease Darwin Port raised debates over security.¹¹⁶ China has also been boosting its relations with the Pacific island countries. Its activities in Papua New Guinea include resource development and it 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 these activities by China.¹¹⁷

Furthermore, moves to bolster military-related ties with Vanuatu, Fiji and Tonga are also being seen.

China has been striving to further deepen its relations with Central and South American countries. For example, Chinese senior military officials have continuously visited countries, such as Argentina and Brazil and ministerial meetings between China and the Community of Latin American and Caribbean States (CELAC) have taken place since 2015. In June 2017, Panama severed diplomatic relations with Taiwan, followed by the Dominican Republic and El Salvador in May and August 2018, respectively, 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 been expanding provision of weapons such as small arms, tanks, aircraft, and 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 claim that China transfers weapons in order to strengthen its strategic relationships with friendly nations, enhance its influence in the international community, and secure natural resources. China does not participate in some of the frameworks of international arms export control, and some point out that there is proliferation of missile-related technology and others from China.¹¹⁸ Attention will be paid to whether China will increase the transparency of international weapons transfer in response to the concerns of the international community.

KEY WORD

Arms embargo against China

EU countries announced the suspension of arms sales to China as a measure against the suppression of human rights in China during the Tiananmen Square incident in 1989. However, the actual embargoed items are ultimately left to the interpretation of the individual member countries. China continues to seek the lifting of the arms embargo against China, and there are movements towards reconsideration within the EU.

¹¹⁵ China appears to be continuing its development of the engine for its fifth-generation fighter aircraft and, through stock acquisition and the establishment of a joint venture, is reportedly trying to promote cooperation with Ukrainian company Motor Sich, which has advanced engine manufacturing technology.

¹¹⁶ In November 2015, at the U.S.-Australia Summit Meeting in Manila, then U.S. President Obama reportedly told his counterpart that the United States would have liked a "heads up" about Australia's lease of Darwin Port to a Chinese company and to "Let us know next time."

¹¹⁷ In January 2018, Australia's Minister for International Development and the Pacific, Concetta Fierravanti-Wells, was reported to have said that China's investments in infrastructure in several Pacific island countries were "basically white elephants" and that "we don't know what the consequences are when [nations] have to pay back some of these Chinese loans."

¹¹⁸ For example, China does not participate in the Missile Technology Control Regime (MTCR), and some observers point to proliferation of Chinese missile-related technology to Pakistan and other countries.

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 one. China maintains that the “one-China” principle is the underlying premise and foundation for dialogue 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.¹¹⁹ “The Anti-Secession Law,” enacted in March 2005, also clearly lays out the nonrenunciation of the use of force by China.¹²⁰

In her inaugural address upon taking office in May 2016, President Tsai Ing-wen of the Democratic Progressive Party did not outline a clear stance regarding the “1992 Consensus,” which China positions as the political foundation of cross-strait relations and which exemplifies the “One China” policy.¹²¹ China responded by criticizing the speech as an “incomplete test paper” and announced that it had already suspended exchanges with Taiwan.¹²² Also, before and after the inauguration of President Tsai, Taiwanese delegates were refused attendance to or had their invitations deferred to meetings held by international organizations.¹²³ Since the inauguration of the Tsai administration, five countries severed diplomatic relations with Taiwan, while they established relations with China.¹²⁴ Taiwan is strongly protesting these

actions, claiming them to be “actions taken by China that compress the international space of Taiwan.”

At the same time, China also announced preferential measures to encourage people to move from Taiwan to China to study or work and, among other remarks,¹²⁵ General Secretary Xi stated at the 19th National Congress in October 2017 that China “would like to share the development opportunities on the mainland with our Taiwan compatriots.” In a January 2019 speech at an event commemorating the 40th anniversary of China’s “**Message to Compatriots in Taiwan**,” General Secretary Xi Jinping advocated a five-point proposal for managing relations with Taiwan,¹²⁶ stating that “Our compatriots in Taiwan will not be absent from the process as the Chinese people head toward our great rejuvenation” and “The specific form of the ‘one country, two systems’ model in Taiwan will give full consideration



President Tsai Ing-wen observing an exercise by the Army with President Benitez of Paraguay (October 2018) [AFP/Jiji]

¹¹⁹ At the January 2019 event to commemorate the 40th anniversary of the Message to Compatriots in Taiwan, General Secretary Xi Jinping said, “We make no promise to renounce the use of force.”

¹²⁰ The law stipulates, “[in] the event that the ‘Taiwan independence’ secessionist forces should act under any name or by any means to cause the fact of Taiwan’s secession from China, or that major incidents entailing Taiwan’s secession from China should occur, or that possibilities for a peaceful reunification should be completely exhausted, the state shall employ non-peaceful means and other necessary measures to protect China’s sovereignty and territorial integrity.”

¹²¹ In May 2016, President Tsai said in her inaugural address that she “respect[s] this historical fact,” referring to the fact that China and Taiwan had, in 1992, “arrived at various joint acknowledgements and understandings” through communication and negotiations. However, in January 2019, responding to General Secretary Xi’s major speech at the event commemorating the 40th anniversary of the Message to Compatriots in Taiwan, President Tsai explained Taiwan’s position, stating, “we have never accepted the ‘1992 Consensus.’”

¹²² In June 2016, a Taiwan Affairs Office of the Chinese State Council spokesperson announced that the exchange mechanism had already been suspended since May 20.

¹²³ Recently, Taiwan was unable to participate in the May 2019 World Health Organization (WHO) annual meeting for three consecutive years, which it had attended as an observer since 2009. Taiwan claims that this was due to Chinese lobbying. 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.”

¹²⁴ In December 2016, São Tomé and Príncipe severed diplomatic relations with Taiwan, followed by Panama doing so in June 2017, the Dominican Republic and Burkina Faso in May 2018 and El Salvador in August 2018, while they established relations with China. Taiwan currently has diplomatic relations with 17 countries.

¹²⁵ 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. That September, the Chinese government began issuing residence cards to residents of Taiwan who have resided in mainland China for at least six months. The card reportedly makes enrolling in social insurance, using public facilities, and accessing financial services more convenient for the holder.

¹²⁶ At the commemorative event, General Secretary Xi advocated the following principles: (1) working together to realize reunification; (2) exploring a “one country, two systems” approach suitable for Taiwan; (3) insisting on the “one China” principle; (4) deepening cross-strait development with a view to reunification; and (5) fostering a common spirit among the people.

to the situation in Taiwan,” and declared that the political discrepancy between China and Taiwan “must not be passed down for generations to come.” On the same day, President Tsai responded with a statement firmly rejecting the “one country, two systems” model and called for negotiations between “government-authorized agencies.”

However, President Tsai resigned as chair of the Democratic Progressive Party (DPP) after the ruling party was defeated in the combined local elections held in November 2018. Per the election, attention focused on the victory of Kuomintang candidate Han Kuo-yu in the mayoral election for the southern Taiwanese city of Kaohsiung, which the DPP had consistently won for the previous 20 years. Han stood on a platform of improved relations with China to promote regional economic revitalization. Initiatives associated with the Xi administration’s policy on Taiwan and the direction of Sino-Taiwanese relations will be a focus of attention ahead of the next presidential election in 2020.

Both China and Taiwan have put forth their own assertions regarding the Senkaku Islands, but Taiwan has a negative attitude toward cooperating with China.¹²⁷

2 Military Capabilities of Taiwan

Under President Tsai Ing-wen, Taiwan has put forth a vision such as: a military strategy of “resolute defense, multidomain deterrence;” “Cultivation of a Professional Military;” and “Strengthening of 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. The United States has started to approve the sale of weapons to Taiwan in accordance with the Taiwan Relations Act¹²⁸ and the Asia Reassurance Initiative Act, which was signed into law in December 2018, mentions regular arms sales to Taiwan and

the encouragement of visits to Taiwan by high-level U.S. government officials.

Aside from the purchases from the United States, Taiwan is moving forward with the development of its own equipment, and the Quadrennial Defense Review (2017 QDR) published in March 2017 emphasizes Taiwan’s willingness to promote the development of the defense industry, especially indigenous production of weapons and equipment. For example, in June 2016, the Taiwan Navy announced a policy to switch over major ships, including submarines, to an indigenous shipbuilding program.

Taiwan adopted conscription in 1951, but it has been switching to a volunteer system to improve the expertise of its military personnel, among other objectives, and the last of the conscripts were enlisted before the end of 2018. However, the obligation to undergo four months of military training is being maintained and Taiwan’s Ministry of Defense describes the Taiwanese system of military service as a dual-track mix of conscripts and volunteers.¹²⁹

With regard to Taiwan’s military power, at present, ground forces, including the Navy Marine Corps, have a total of approximately 93,000 personnel. Other than this, 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 Kidd-class destroyers which were imported from the United States, Taiwan possesses the indigenously built “TuO Chiang” stealth corvette, among other vessels. Regarding air capabilities, Taiwan possesses F-16 A/B fighters,¹³⁰ Mirage

KEY WORD

Message to Compatriots in Taiwan

These open letters to Taiwan published by the Chinese side (such as the Chinese Ministry of National Defense and the Standing Committee of the National People’s Congress) are regarded as Chinese policy documents on Taiwan. Five of these letters have been published to date (one in 1950, three in 1958, and one in 1979); and as the one published by the Standing Committee of the National People’s Congress in 1979 included references to ending the cross-Strait military confrontation and expanding exchanges between China and Taiwan, it is described as the document in which China changed its Taiwan policy from armed liberation to peaceful unification.

¹²⁷ 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.”

¹²⁸ The U.S. administration notified Congress in September 2018 that it intended to sell fighter aircraft parts and other arms worth approximately US\$330 million (approximately 37.3 billion yen) to Taiwan; in April 2019, the administration notified Congress that it intended to sell fighter training programs and other arms worth approximately US\$500 million (approximately 55 billion yen); in July 2019, the administration notified Congress that it intended to sell M1A2T tanks and other arms worth approximately US\$2.2 billion (approximately 242 billion yen); in August 2019, the administration notified Congress that it intended to sell F-16C/D Block70 and other arms worth approximately US\$8 billion (approximately 880 billion yen). This marks the fifth arms deal with Taiwan under the Trump administration, following on from the sale of arms in June 2017. In April 2018, the U.S. government reportedly gave U.S. companies permission to engage in business talks with Taiwan about building submarines.

¹²⁹ In February 2019, Taiwan’s Ministry of Defense issued a press release stating, “Reports that the conscription system will be ended are incorrect,” noting that a four-month period of military training would continue to be imposed.

¹³⁰ The Taiwan Air Force is moving forward with the upgrade of its F-16A/B fighters to F-16V fighters with enhanced radar performance, etc. It was reported that the first four aircraft were handed over to the Air Force at the end of March 2019 and that the upgrading and refurbishment of all 144 aircraft were slated for completion by 2023.

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 2018 was roughly 16 times the amount of Taiwan's.¹³¹ Amid this situation, President Tsai has ordered an increase in Taiwan's defense budget.¹³²

In the "National 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 that "the military threat is growing for Taiwan." It also mentions that Chinese military fighters and destroyers are active around the island, flaunting the country's military capabilities to Taiwan.¹³³

While the PLA proceeds to expand its missile, naval, and air forces, it still remains to be the Taiwan military's challenge to modernize its equipment.

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.¹³⁴ However in recent years, China has been steadily improving its landing and invasion capabilities, such as building large amphibious 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 used to have superiority over China.¹³⁵
- 3) Regarding missile attack capabilities, Taiwan has been strengthening its ballistic missile defense, including upgrading PAC-2 to PAC-3 and newly introducing PAC-3. However, China possesses numerous short-range ballistic missiles and other assets with ranges covering Taiwan. Taiwan is deemed to lack effective countermeasures.

Comparison of military capabilities should be made based not only on the performance and quality of the military

Corvette "Tuo Chiang"

<Specifications, performance>

Full load displacement:

567 tons

Speed: 43 knots
(approximately 80 km/h)

Main armament: Ship-to-ship missiles (maximum firing range 200 km), torpedoes

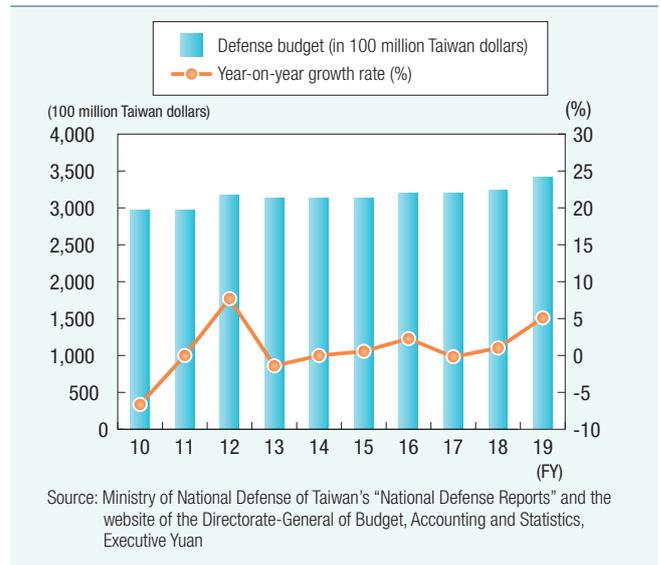
<Description>

This is Taiwan's indigenously built corvette. With its stealth design that leaves it relatively undetectable to radar, the corvette is regarded as a form of asymmetrical warfare capability that could strike landing ships and major naval vessels.



[Jane's by IHS Markit]

Fig. 1-2-2-8 Changes in Taiwan's Defense Budget



¹³¹ This figure was obtained by comparing China's announced FY2018 defense budget of approximately 1,106.951 billion yuan and Taiwan's announced FY2018 defense budget of approximately 323.1 billion Taiwan dollars by converting them into U.S. dollars using the exchange rate for FY2018 released by the Central Bank of Taiwan (US\$1 = 6.611 yuan = 30.156 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.

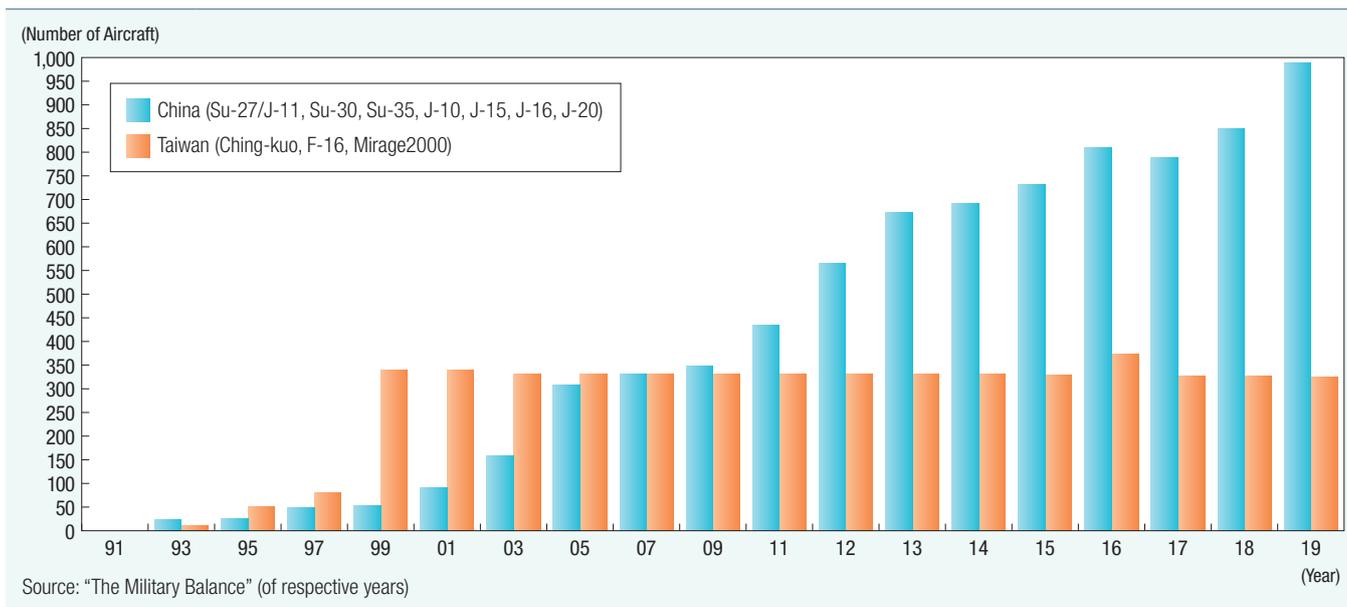
¹³² At a ceremony held at the Navy Command Headquarters in August 2018, President Tsai highlighted the indigenous development of equipment and the improvement of defense capability, before stating that she had ordered an increase in defense expenditure "to meet the needs of national security," stressing that the budget increase is an expression of Taiwan's resolve in regard to national defense. In the 2016 general election, President Tsai made a commitment to increase defense expenditure to 3% of GDP.

¹³³ Chinese military aircraft and naval vessels appeared not to have been active in the vicinity of Taiwan after late June 2018, but military aircraft activity around Taiwan reportedly resumed from December that year. The Taiwanese military suggested that the temporary suspension of Chinese military activity around Taiwan was possibly due to the weather or "verification (by China) following the end of the phased training."

¹³⁴ In August 2018, it was reported that the unpublished 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, as it still lacked a means of transport for landing and logistical support capabilities.

¹³⁵ China has 988 fourth and fifth-generation fighters, whereas Taiwan has 325. In addition, China has 78 destroyers and frigates and 64 submarines, whereas Taiwan has 24 and 4, respectively. Furthermore, China commissioned the aircraft carrier Liaoning and launched an indigenous carrier.

Fig. I-2-2-9 Changes in the Number of Modern Fighter Aircraft of China and Taiwan



capability and equipment, but also on various factors such as the purpose and aspects of the assumed military operations, the operational arrangements, 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.

See Fig. I-2-2-8 (Changes in Taiwan's Defense Budget)
 Fig. I-2-2-9 (Changes in the Number of Modern Fighter Aircraft of China and Taiwan)