

1 General Situation

China, the world's most populous country, has a vast landmass surrounded by a long borderline as well as a long coastline. It also has various races, religions, and languages. China's pride in its unique history of having shaped a distinct culture and civilization, 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 including the global economy. China takes a proactive stance towards efforts in security areas, contributing to United Nations (UN) Peacekeeping Operations (PKO), counter-piracy activities off the coast of Somalia and in the Gulf of Aden, and various humanitarian assistance and disaster relief activities. 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 domestic problems including human rights issues. Among the problems emerging are the spread of bribery and corruption among the leadership of the Chinese Communist Party (CCP) and such issues as 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 slowed 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 government administration has thus been expanding and becoming increasingly diverse. Additionally, there have been protests about human rights violations against ethnic minorities in China and campaigns pursuing separation and independence of the Tibet Autonomous Region, the Xinjiang Uyghur Autonomous Region, and elsewhere. The international community has grown interested in human rights conditions in the Xinjiang Uyghur Autonomous Region. In 2019, large-scale protest rallies occurred in Hong Kong over such issues as a bill

to amend an ordinance to allow criminal suspects to be extradited to mainland China. Combined with public concern about the security measures taken by the Chinese central government and the Hong Kong government in light of the series of protests, there is no prospect of the volatility of the situation diminishing. Amid these circumstances, the Chinese Government has been tightening its control over society. While it has been suggested that the development of the Internet and other areas of information and communications technology (ICT) has made it difficult to control activities of the masses, it has been noted that rapidly developing ICT technologies are exploited for social control. Since 2014, China has enacted laws based on "a holistic view of national security" that covers not only external threats but also culture and society. Those laws include the Anti-Spy Law enacted in November 2014 to enhance domestic counter-espionage arrangements, a new National Security Law in July 2015, an Anti-Terrorism Law in January 2016 to strengthen state control, the Law on Management of Domestic Activities of Overseas Non-governmental Organizations in January 2017 to enhance control on foreign non-governmental organizations (NGOs), and the National Intelligence Law in June 2017.

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," targeting both dominant figures and junior officials. People including former prominent leaders of the Party and military have



Chinese President Xi Jinping reviewing the troops at the military parade commemorating the 70th anniversary of China's founding (October 2019) [EPA/Jiji]

strictly been charged with “corruption.” General Secretary Xi has stated that “corruption is the greatest threat our Party faces,” indicating that the “anti-corruption” movement will continue.

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 decided at the 19th National Congress in October 2017 to incorporate “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 his 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 president, which indicates that Xi Jinping is further consolidating power as president.

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 for steadily acquiring 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. For example, 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 to 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 practical joint operational capabilities through military modernization including 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. Cutting-edge technologies that China seeks to develop and acquire include game changing technologies that would dramatically change future warfare.

China’s 2019 white paper, “China’s National Defense in the New Era,” released in July 2019, notes that “intelligent warfare is on the horizon,” indicating that attention should be paid to Chinese forces’ efforts to use artificial intelligence (AI) technology.

Along with 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, and has been expanding and intensifying its military activities in

Column

Anti-Access/Area-Denial (A2/AD) capabilities

The A2/AD capabilities represent a concept given by the United States. Anti-Access or A2 capabilities refer mainly to long-range capabilities to block adversaries from entering some operating zones. Area-Denial or AD capabilities refer to short-range capabilities to limit adversaries’ freedom of action within operating zones.

Column

Civil-military fusion

Civil-military fusion is an initiative promoted by China as a national strategy designed to promote the military use of civilian resources and the civilian use of military technologies in peacetime as well as emergency, in addition to the traditional development of defense mobilization arrangements for emergency. In particular, initiatives in seas, outer space, cyberspace, artificial intelligence (AI), which are referred to as “emerging areas” for China are viewed as priority areas for civil-military fusion.

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 contingencies. 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 exhibited the "struggle" against the Senkaku Islands, an inherent territory of Japan, the establishment of the "East China Sea Air Defense Identification Zone (ADIZ),"¹ its Navy and Air Force's "regular patrols," and others as the achievements of the military forces' activities and emphasized to continue improving the Chinese military's operational capabilities. Furthermore, the Chinese military forces have rapidly expanded and intensified activities including those in the areas surrounding Japan, such as the East China Sea, Pacific Ocean and Sea of Japan. Given these facts, there is a high probability that China would not only attempt to make such activities routine but also further expand and intensify them both qualitatively and quantitatively. Such Chinese military trends, combined with insufficient transparency about China's defense policies and military affairs, have become a matter of grave concern to the region including Japan and the international community and should continue to be closely monitored in the future.

2 Defense Policies

China has described the objectives of its defense policies and the missions of its military forces as: supporting the CCP's leadership, China's characteristic socialism system, and the modernization of its socialism, defending the nation's sovereignty, unification and security, backing the nation's sustainable "peaceful development" through protecting its maritime and overseas national interests, building strong national defense and massive military forces commensurate with the interests of the nation's security and the interests of development, and providing strong assurances for realizing the "Chinese dream" of the great revival of the Chinese

nation. China contends that these national defense policies are "defensive" in nature.²

For the development of national defense and military forces, China has employed a policy of building the "system of modern military power with Chinese characteristics" by sustaining the military development under the party, the military buildup through reforms, military promotion based on science and technology, and law-based military governance, by pursuing practical capabilities that "can fight and win a war" by giving greater priority to the civil-military fusion, by promoting the fusion and development of mechanization and informatization, and by accelerating the intelligentization of military forces. This might have apparently deepened a policy of giving priority to the informatization of military forces based on a military strategy to win informatized local wars in response to the global trend of military development. Such military buildup in China apparently indicates that China has given top priority to dealing with a Taiwan contingency by improving its capabilities to deter or deny Taiwan's independence and foreign military support for the Taiwanese independence, and has recently considered the improvement of operational capabilities in more distant waters to protect its expanding overseas interests.

Furthermore, China seems 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 coordinating military struggle closely with political, diplomatic, economic, cultural, and legal endeavors.

As for the future goals of the development of national defense and military forces, General Secretary Xi Jinping's report to the 19th CCP National Congress in October 2017 and the defense white paper released in 2019 noted that China would try to (1) basically achieve mechanization and make great progress in informatization to dramatically improve strategic capabilities by 2020, (2) basically complete the modernization of national defense and military forces by 2035, and (3) generally transform Chinese forces into world-class forces by the mid-21st century. These goals reportedly

¹ On November 23, 2013, China established the "East China Sea ADIZ" including the Senkaku Islands misleadingly indicated as if they were China's territory. China requires aircraft flying in the zone to abide by rules set by its Ministry of National Defense and claims to take military "defensive emergency measures" against aircraft failing to do so, unduly infringing on the principle of freedom of overflight. Over the move to unilaterally change the status quo in the East China Sea, not only Japan but also the United States, the ROK, Australia, and the European Union (EU) expressed concerns.

² According to the defense white paper "China's National Defense in the New Era" (July 2019).

indicate that the third stage of the “Three Stage Development Strategy” for the basic modernization of national defense and military forces by the middle of the 21st century would be achieved 15 years ahead of schedule. The goals thus might have been based on faster-than-expected progress in the military modernization for China itself. Particularly since late December 2015, China has tackled the military reform to improve practical joint operational capabilities, achieving steady, rapid progress. However, China has recognized a wide gap between the real military modernization level and the level required for national security, and between Chinese and world-class military forces. Based on that recognition, China may further accelerate the military modernization against the backdrop of national power development and General Secretary Xi’s enhancement of his power base in the CCP and expansion of his power as Chairman of the Central Military Commission.³

3 Transparency Concerning Defense Policies and Military Affairs

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 fully disclosed information such as specific weapons in possession, procurement goals and results, organization and locations of major units, records of main military operations and exercises, and a detailed breakdown of its national defense budget.

Incidents in which Chinese authorities provide factually inaccurate explanations or refuse to admit facts regarding Chinese military activities have been confirmed, inciting concerns over China’s military decision-making and actions. For example, the submerged transit of a Chinese Navy submarine through Japan’s contiguous zone around the Senkaku Islands was confirmed in January 2018, but China did not acknowledge this. In recent years, amid the significant changes in the environment surrounding the 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 in terms of crisis management as well.

Explanations that stoke concerns about Chinese military decision-making and actions are also evident in comments about the South China Sea, 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.”

China has released a defense white paper almost every two years since 1998. Most recently, it released a defense white paper in July 2019 for the first time in approximately four years. The latest one was titled “China’s National Defense in the New Era.” Although defense white papers released in 2013 and 2015 covered specific topics only, with the volume of descriptions reduced, the 2019 white paper covered defense policies in general.

China’s influence in the international community has risen politically, economically, and militarily. It has become increasingly important for China to improve its transparency regarding defense policies and military affairs, provide fact-based explanations about its activities, and share and observe international rules as a responsible country in the international community to allay concerns about China. It is strongly hoped that China will increase transparency through such efforts as specific and accurate information disclosure.

4 National Defense Budget

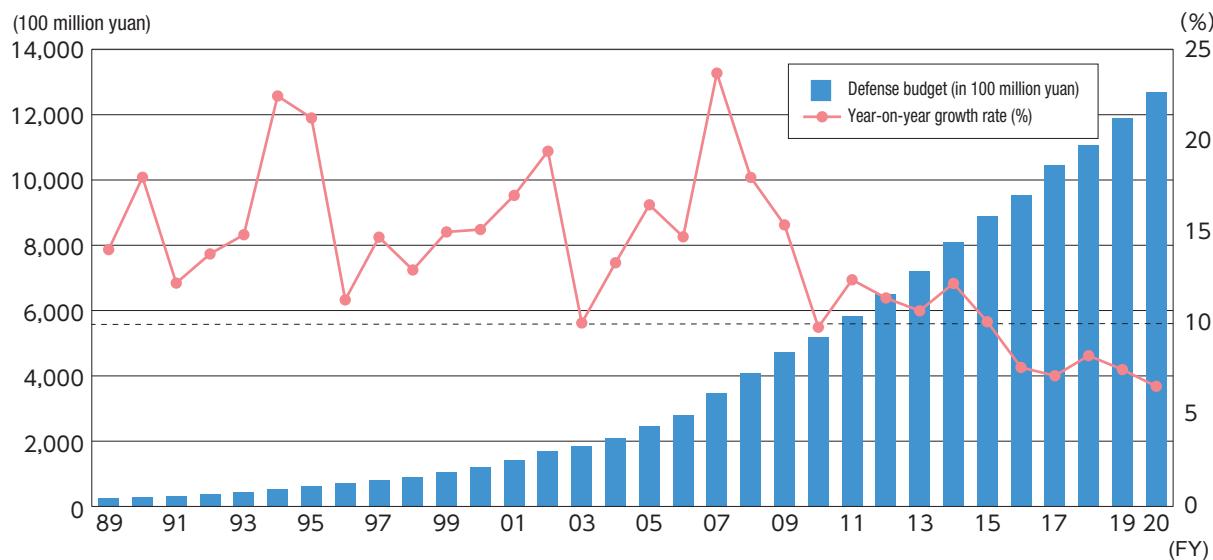
China announced that its national defense budget for FY2020 was approximately 1,268 billion yuan (approximately 20,288.1 billion Japanese yen when the value is mechanically converted at 16 yen per yuan).⁴ This initial budget amount

³ The Central Military Commission is a leading and commanding organ to China’s armed forces. Formally, there are the CCP CMC and the People’s Republic of China CMC. However, each consists of the same members, indicating both commissions as an organ for the party to control the armed forces.

⁴ China’s announced defense budget exceeded Japan’s defense-related expenditures in FY2007 and reached approximately four times in FY2020 (automatically converted based on exchange rates of respective fiscal years). Japan’s defense-related expenditures have remained almost unchanged for around 20 years (approximately 1.2 times in 30 years).

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, FY 2019 and FY2020, 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.

represented a growth of approximately 6.6% (approximately 78.1 billion yuan) compared to the initial budget amount for the previous fiscal year. China's announced national defense budget recorded a double-digit increase almost every year between FY1989 and FY2015. The nominal size of China's announced national defense budget grew approximately 44-fold in the 30 years from FY1990 and approximately 2.4-fold in the 10 years from FY2010. China positions the buildup of defense capabilities as important a task as economic development. It is believed that China has continued to invest resources in the improvement of its defense capabilities in tandem with its economic development. However, there have been many years in which the announced annual national defense budget increase rate exceeded the economic growth (an increase in gross domestic product). Attention is to be paid to how the slowdown in China's economic growth would affect its 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. For example, it is believed that the announced defense budget does not include foreign equipment procurement costs or research and development (R&D) expenses. According to an analysis of the U.S. DoD, actual defense spending in FY2018 was US\$30 billion more than the announced national defense budget amount.⁵

As for a breakdown of the national defense budget, past defense white papers specified personnel, training and sustainment, and equipment expenses for the announced national defense budgets for FY2007, FY2009 and FY2010-2017 (and expenses for active, reserve and militia forces for FY2007 and FY2009). However, no more details have been given.

See Fig. I-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), and the militia. It is provided that these bodies be instructed and commanded by the Central Military Commission (CMC). The PLA is defined as a people's force created and led by the CCP, comprising the Army, the Navy, the Air Force, the Rocket Force, the Strategic Support Force, the Joint Logistics Support Force, etc.

The PAP is designed to engage mainly in patrol, emergency response, counterterrorism, maritime rights protection and law enforcement, emergency rescue, defense operations, etc. The militia is planned to engage in economic construction, etc. in peacetime and undertake logistic support missions in emergency.

⁵ According to "Annual Report to Congress: Military and Security Developments Involving the People's Republic of China," U.S. DoD (May 2019).

(1) Military Reforms

China is currently carrying out military reforms seen as the largest in its history. In November 2015, Chairman 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.

By the end of 2016, the so-called “above-the-neck” reforms in the center of the military were reported to have basically been completed. Specifically, they abolished the PLA's seven Military Regions 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—ranked equally with the PLA Navy (PLAN) and PLA Air Force (PLAAF) Headquarters—the Rocket Force (PLARF), the Strategic Support Force (PLASSF), and the Joint Logistics Support Force. Moreover, the headquarters for the entire PLA were replaced by 15 functional sections under the CMC, including the Joint Staff Department, Political Work Department, Logistics Support Department, and Equipment Development Department. Since 2017, military reforms have been making steady progress with the start of what are called full-scale “below-the-neck” military reforms at the field level. For example, the expansion of the Navy Marine Corps, whose missions include amphibious landing operations, has been confirmed along with the unification of PAP leadership and command system under the CMC, and the reorganization of 18 Group Armies into 13, a reduction of 300,000 soldiers, the transfer of the coast guard to the PAP, etc.

It is considered that these series of reforms are designed to build more practical military forces by improving their joint operational capabilities and strengthening the military's readiness, including the development of military capabilities and organizational management in peacetime. In addition, it has been noted that the reorganization of the headquarters is a means of tackling corruption at the center of the military by decentralizing the leading organs. Since the 19th CCP National Congress in October 2017, many members seen as connected deeply to Chairman Xi have been appointed to the CMC. It has been noted that many officers trusted deeply by Chairman Xi have been promoted to senior positions and the rank of general. Given these points, it is thought that

Chairman Xi is attempting to further enhance his leadership in the CMC and the military.

There are views that dissatisfaction is growing within the military and among veterans because of the rapid reforms. Given that China plans to promote military reforms until 2020, attention will focus on the outcome of these military reforms.

(2) Nuclear and Missile Forces

China has continued independent efforts to develop nuclear weapons and missiles for their delivery since the mid-1950s, indicating its apparent attempt to ensure nuclear deterrence, supplement its conventional forces with nuclear capabilities and secure its influence on the international community. It is regarded that China's nuclear strategy is to deter any 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 adversary countries, should China be subject to nuclear attacks. China has explained that it is committed to “no first use” of nuclear weapons under any circumstances, to “unconditional negative security assurance” that it would not use or threaten to use nuclear weapons against non-nuclear-weapon states or nuclear-weapon-free zones unconditionally, and to keeping its nuclear capabilities at the minimum level required for national security. In recent years, however, doubts have been expressed about the explanation.⁶

China is viewed as having given priority to conventional missile capabilities since the 1990s because of the growing significance of precision-strike capabilities in the global military trend. China is expected to continue to attach importance to its nuclear and missile forces.

China possesses ballistic missiles of various types and ranges, including ICBMs, SLBMs, intermediate-range ballistic missiles (IRBMs)/medium-range ballistic missiles (MRBMs), and short-range ballistic missiles (SRBMs). The update of China's ballistic missile forces from a liquid propellant system to a solid propellant system is improving their survivability and readiness. Moreover, it is believed that China is working to increase their performance by such means as extending ranges, improving targeting accuracy, and employing maneuverable reentry vehicles (MaRVs) and multiple independently targetable reentry vehicles (MIRVs).

⁶ According to “Annual Report to Congress: Military and Security Developments Involving the People's Republic of China,” U.S. DoD (May 2019).

China's main ICBMs, its strategic nuclear asset, had been the fixed-site liquid-propellant DF-5 missiles. 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 erector launcher (TEL). China is developing the new **DF-41 ICBM**, which is viewed to be able to fly up to approximately 11,200 km and carry 10 warheads. It made its first appearance in the military parade to mark the 70th anniversary of the founding of the People's Republic of China in October 2019. With regard to SLBMs, it is considered that Jin-class nuclear-powered ballistic missile submarines to carry the **JL-2 SLBMs** with the estimated range of approximately 8,000 km are operational. It is believed that China's strategic nuclear capabilities will improve significantly through nuclear deterrence patrols using the Jin-class SSBNs. Furthermore, it has been pointed out that China is also developing the JL-3 SLBM with the extended range of 12,000 to 14,000 km and a new SSBN for carrying the JL-3.

China's missile forces have been put outside the framework of the U.S.-Russia INF Treaty and include numerous ground-launched missiles with ranges between 500 and 5,500 km that had been subjected to the INF treaty. As for the IRBMs/MRBMs covering the Indo-Pacific region including Japan, China has the mobile solid-propellant DF-21 and DF-26, which can be transported and operated on TELs. These

are viewed as capable of carrying both conventional and nuclear warheads. China possesses ballistic missiles carrying conventional warheads with high targeting accuracy based on the DF-21, including the DF-21D anti-ship ballistic missile (ASBM), called "carrier killer," which carries conventional warheads to attack overwater ships including aircraft carriers. The DF-26, which has a range including Guam and is called "Guam killer," is considered a "second-generation ASBM" developed on the basis of the DF-21D. It was announced in April 2018 that the DF-21D had "formally joined the order of battle." China also possesses the CJ-20 (CJ-10) long-range land-attack cruise missile with a range of at least 1,500 km, as well as the H-6 bomber that is capable of carrying this cruise missile. It is deemed that these missiles complement ballistic missile forces, covering the Indo-Pacific region including Japan. In the military parade to celebrate the 70th anniversary of its founding in October 2019, CJ-100/DF-100, which is said to be a supersonic cruise missile, also made its first public appearance. The deployment of these ASBMs and cruise missiles is expected to strengthen China's "A2/AD" capabilities. Concerning SRBMs, China has deployed a large number of solid-propellant DF-16, DF-15, and DF-11 missiles facing Taiwan. It is believed that their ranges cover a part of Japan's Southwestern Islands including the Senkaku Islands.

Furthermore, China is believed to be rapidly developing several HGVs that would be launched with ballistic missiles to penetrate missile defenses. Their flight tests have reportedly been conducted since 2014. In the military parade to mark the 70th anniversary of China's founding in October 2019, the **DF-17 MRBM** viewed as capable of carrying a hypersonic glide vehicle made its first public appearance. In August 2018, China is believed to have tested a hypersonic vehicle featuring the "waverider" design. These vehicles are said to be more difficult for missiles to intercept, because they fly low at very high speeds and are highly maneuverable.

DF-41 ICBM

Specifications, performance

Maximum firing range: 11,200 km

Description

New intercontinental-range ballistic missile showcased for the first time at the military parade commemorating the 70th anniversary of China's founding in October 2019. Viewed as capable of carrying 10 multiple independently targetable reentry vehicles (MIRVs) and having attack capabilities with high accuracy.



[Imaginechina/Jiji Press Photo]

JL-2 SLBMs

Specifications, performance

Maximum firing range: 8,000 km

Description

Submarine-launched ballistic missiles (SLBMs) viewed as strategic nuclear forces of Chinese Navy. It is considered that China is developing JL-3 SLBMs (maximum range 12,000 km to 14,000 km) with extend ranges for further strengthening strategic nuclear forces.



[Avalon/Jiji Press Photo]

DF-17 MRBMs

Specifications, performance

Maximum firing range: 1,800 km - 2,500 km

Description

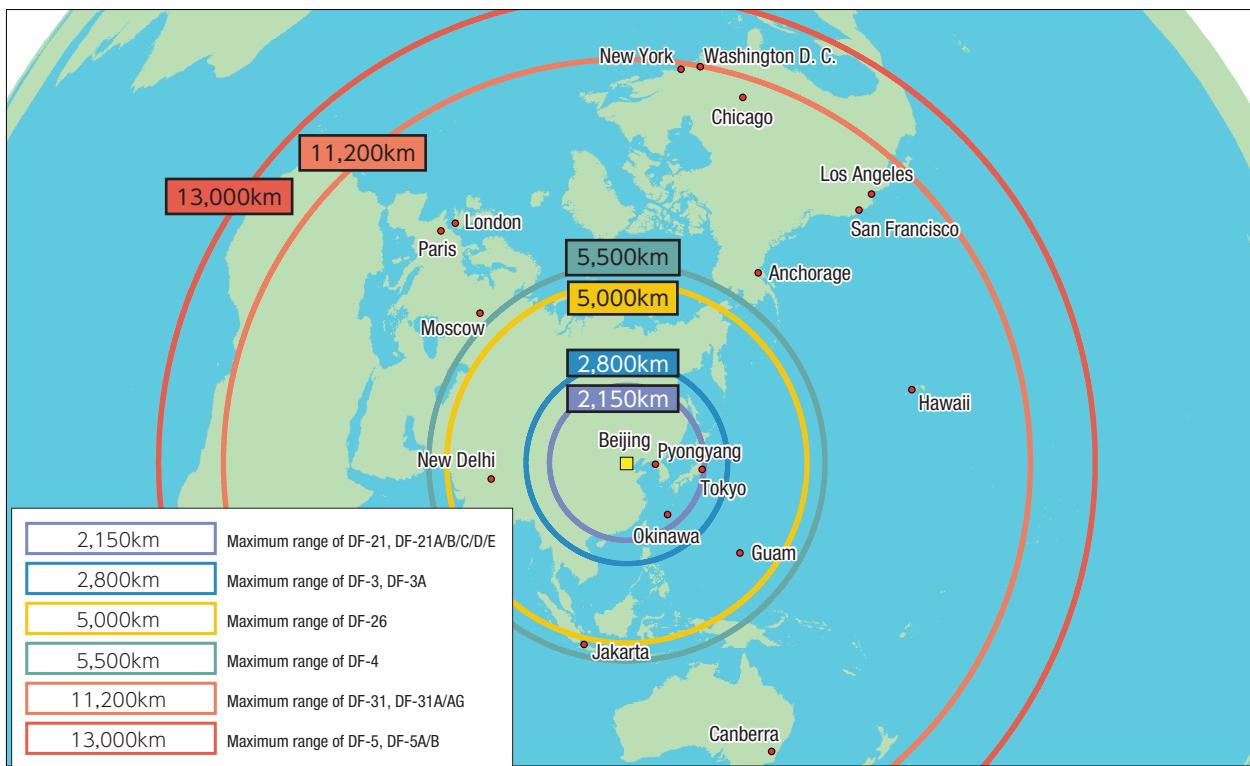
Medium-range ballistic missiles viewed as having been developed based on DF-16 SRBMs and as being capable of carrying a Hypersonic Glide Vehicle (HGV). Showcased for the first time at the military parade commemorating the 70th anniversary of China's founding in October 2019.



[Avalon/Jiji Press Photo]

Fig. I-2-2-2

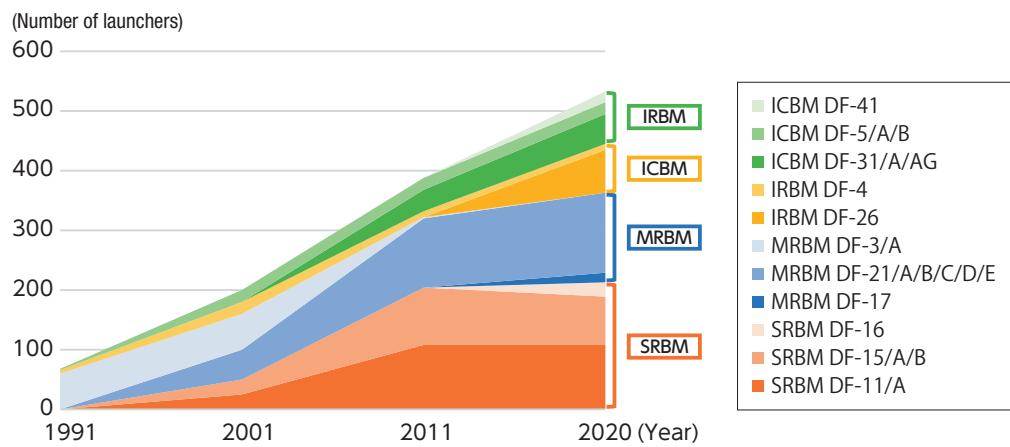
Range of Ballistic Missiles from China (Beijing) (image)



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

Fig. I-2-2-3

Number of China's Ground-Launched Ballistic Missiles Fired in the Past



※ 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.

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. In October 2019, Russian President Putin noted that Russia was supporting China's development of "a missile-attack early warning system." Given that ballistic missile defense technology has the potential to be applied to missiles capable of destroying satellites, attention will focus on future Chinese missile defense trends including ballistic missile defense technology development.

See

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

Fig. 1-2-2-3 (Number of China's Ground-Launched Ballistic Missiles Fired in the Past)

(3) Ground Forces

China has the third largest ground forces in the world, following India and North Korea, with approximately 980,000 personnel. China has sought to improve the operational capabilities of ground forces pursuing the

downsizing, multifunctionality, and modularization of military units. Specifically, it is believed to be improving ground forces' mobility using measures such as shifting from theater defense to trans-theater mobility and working to motorize and mechanize infantry units. China is also believed to be strengthening its airborne troops (belonging to the Air Force), amphibious forces belonging to the Army and Navy, special operations forces, and helicopter units. China has continued to build up the Navy Marine Corps, which is expected to have more than 30,000 troops by 2020 and undertake overseas expedition operations in addition to amphibious assault landing operations and regional defense in the South China Sea.⁷ China undertakes efforts to build a command system for improving its joint operational capabilities and operational efficiency and tackles reforms to improve its logistical support capabilities.

China has annually conducted Stride, Firepower, and Sharp Sword maneuver-exercises that cut across multiple regions. 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. China has also conducted combined military branch and service exercises under Joint Action since 2014. Furthermore, it has been reported that force-on-force training has been frequently conducted to improve practical operational capabilities. These facts suggest China's attempt to improve its practical joint operational capabilities.

 See Fig. I-2-2-4 (Deployment and Strength of the People's



Unmanned underwater vehicles exhibited at the 70th anniversary of China's founding (October 2019) [Avalon/Jiji Press Photo]

Liberation Army [image]]

(4) Naval Forces

The naval forces consist of three fleets: North Sea Fleet, East Sea Fleet, and South Sea Fleet. China's naval forces are rapidly modernizing, and the Chinese Navy promotes the mass production of its indigenous Yuan-class submarines with improved quietness, as well as surface combatant ships with improved air defense and anti-ship attack capabilities. In January 2020, the Navy commissioned the first Renhai-class destroyer among its largest destroyers. The Renhai-class destroyer is said to be equipped with a vertical launch system (VLS) with 112 launch cells, almost twice the number of launch cells as the new Luyang III-class destroyer. The VLS is capable of launching long-range land-attack cruise missiles and YJ-18 anti-ship cruise missiles with a supersonic terminal attack capability. In addition, the Navy is increasing the number of large landing ships and supply ships. Since September 2019, Type-075 large landing ships have been launched in sequence. Since September 2017, Fuyu-class fast combat support ships (comprehensive supply ships) have been in operation for replenishment for the aircraft carrier group. It has also been pointed out that China is developing new submarines capable of carrying land-attack cruise missiles.

With regard to aircraft carriers, China's first aircraft carrier "Liaoning," following its commission in September 2012, reportedly made its first advance to the South China Sea in November 2013 and to the Pacific Ocean in December 2016. In the same month of 2016, the "Liaoning" conducted its first comprehensive live action, including live firing by carrier-based fighters, in the Bohai Sea. It was announced that the "Liaoning" participated in a naval review in the South China Sea and advanced to the Pacific Ocean for force-on-force

Aircraft carrier "Shandong"

Specifications, performance

Full-load displacement: 66,000 tons
Speed: 30 knots
(approximately 56 km/h)
On-board aircraft: 36 J-15 fighters



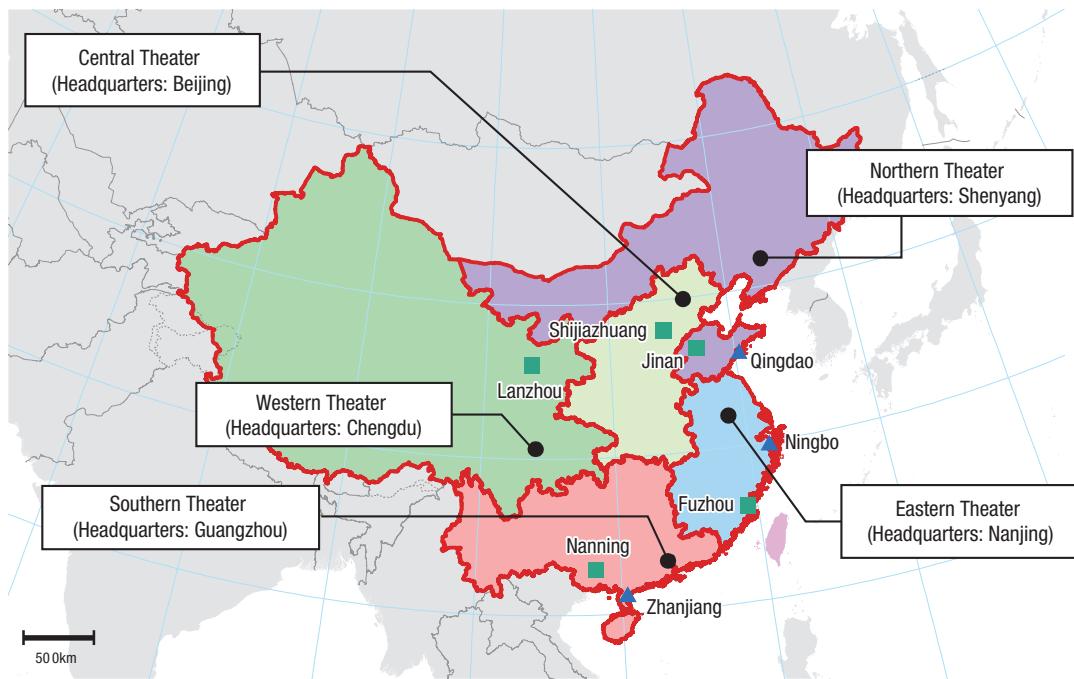
[Avalon/Jiji Press Photo]

China's first indigenous ski-jump flight deck carrier, an improved version of the Liaoning. Commissioned in Sanya of Hainan Island facing the South China Sea in December 2019.

⁷ According to the annual report "Military and Security Developments Involving the People's Republic of China," U.S. DoD (May 2019)

Fig. I-2-2-4

Deployment and Strength of the People's Liberation Army (image)



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

		China	Taiwan (Reference)
Total military forces		Approx. 2.04 million troops	Approx. 0.16 million troops
Ground forces	Ground troops	Approx. 0.98 million troops	Approx. 90,000 troops
	Tanks, etc.	Type-99A, Type-96A, Type-88A/B and others Approx. 6,200 vehicles	M-60A, M-48A/H and others Approx. 700 vehicles
Maritime forces	Warships	Approx. 750 vessels 1,970,000 tons	Approx. 230 vessels 200,000 tons
	Aircraft carriers, destroyers, and frigates	Approx. 90 vessels	Approx. 30 vessels
	Submarines	Approx. 70 vessels	4 vessels
	Marines	Approx. 30,000 troops	Approx. 10,000 troops
Air forces	Combat aircraft	Approx. 3,020 aircraft	Approx. 520 aircraft
	Modern fighter aircraft	J-10 × 468 Su-27/J-11 × 349 Su-30 × 97 Su-35 × 24 J-15 × 20 J-16 × 60 J-20 × 22 (Fourth and fifth generation fighters (total): 1,080)	Mirage 2000 × 55 F-16 × 143 Ching-kuo × 127 (Fourth generation fighters (total): 325)
Reference	Population	Approx. 1.397 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 2020," etc.

training including carrier-based fighters from March to April 2018. China's first indigenous aircraft carrier (its second carrier) was launched in April 2017 and then it was named **Shandong** and commissioned in Sanya of Hainan Island in December 2019. The Shandong, with a ski-jump flight deck, is an improved version of the "Liaoning," reportedly carrying a greater number of aircraft than the "Liaoning."

China is reportedly building its second indigenous aircraft carrier, which could be equipped with an electromagnetic catapult system to operate fixed-wing early warning aircraft. It has also been pointed out that China has plans to build nuclear-powered aircraft carriers.

China is believed to have been developing and deploying unmanned surface vehicles (USVs) and unmanned



A 10,000-ton class Coast Guard vessel, the largest of its kind in the world
[provided by the Japan Coast Guard]

underwater vehicles (UUVs) that are available for military purposes. Such equipment, though being relatively cheap, are viewed as representing an asymmetric force to effectively prevent adversaries from winning maritime supremacy, particularly underwater supremacy.

Given 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.

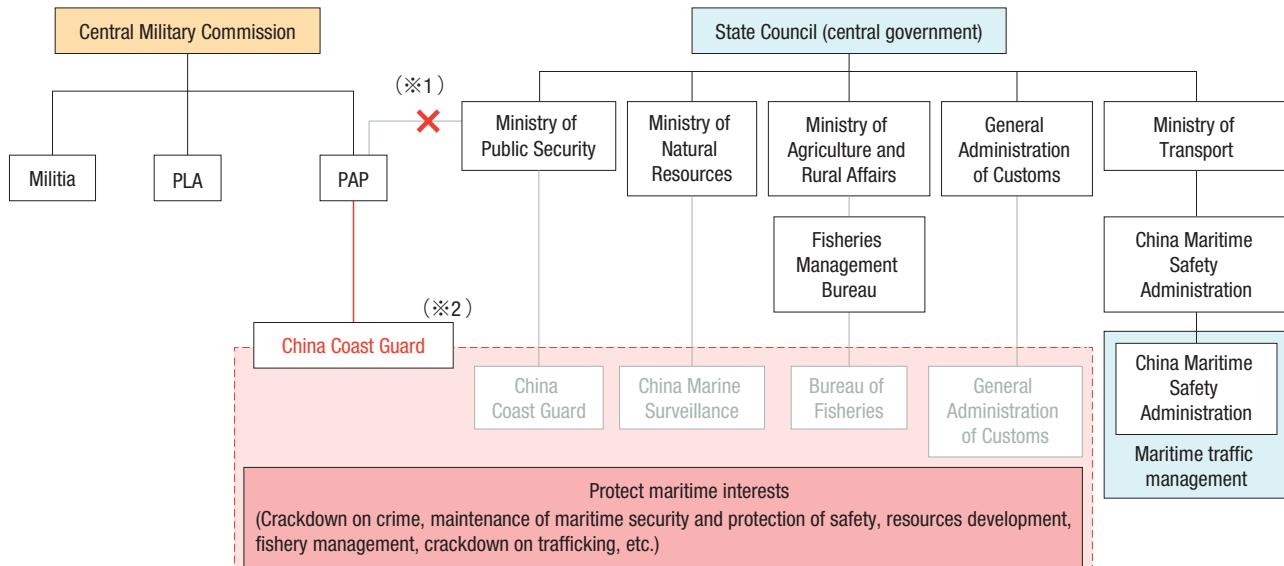
The PAP, one of the China's armed forces other than the military, has the Coast Guard as a maritime law enforcement organization under its umbrella. The Coast Guard consists of three groups: North, East and South Sea Sub-bureaus. Chinese government ships belonging to the Coast Guard have recently been designed to be larger and armed. At the end of 2019, the China Coast Guard was viewed as one of

the world's largest maritime law enforcement organizations, possessing 130 ships with full displacement of 1,000 tons or more⁸ including two 10,000-ton-class patrol ships, among the world's largest ones. Some Coast Guard ships have been confirmed as armed with 76 mm guns that may be as powerful as large-diameter guns on naval ships.

The organizational enhancement of the Coast Guard has also been confirmed. China's maritime surveillance had been conducted by the China Coast Guard Bureau under control of the State Council's Ministry of Public Security, as a unified body consisting of the China Marine Surveillance (Haijian) of the State Oceanic Administration under the Ministry of Natural Resources, the China Fisheries Law Enforcement Command (Yuzheng) of the Fisheries Management Bureau under the Ministry of Agriculture, the Maritime Anti-Smuggling Force of the General Administration of Customs, etc. In July 2018, the Coast Guard was transferred to the PAP under unified control and command of the CMC and renamed PAP Coast Guard. After the transfer, former naval officers were reportedly given major Coast Guard posts, indicating enhanced cooperation between the military and Coast Guard. It has been noted that retired naval destroyers and frigates were delivered to the Coast Guard, suggesting that the military has been supporting the Coast Guard in terms of equipment as well as personnel.

At a ceremony to give the PAP a flag in January 2018,

Fig. I-2-2-5 The Coast Guard's Transfer to the PAP



※1 Unification of PAP leadership and command system (January 1, 2018)

※2 Transfer of the Coast Guard to the PAP (July 1, 2018)

(Reference)

The scope of the China Coast Guard that is transferred to the PAP and placed under its command is not published.

Units enclosed by a red dotted line belonged to the China Coast Guard before the realignment (2013).

⁸ According to "Japan Coast Guard Annual Report 2020," Japan Coast Guard

Chairman Xi stated that the PAP would be incorporated into the military forces' joint operations system. It has been pointed out that the military forces and the Coast Guard have conducted joint exercises. The military forces and the PAP including the Coast Guard are believed to be attempting to steadily strengthen their joint operational capabilities through the enhancement of cooperation. Given these trends, progress in cooperation between the Coast Guard and the Navy and between the Coast Guard and military services other than the Navy should be watched closely.

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. The maritime militia is said to operate in the South China Sea, etc. and consist of fishermen and residents of isolated islands. However, the details of the maritime militia have not been revealed. In March 2009, when Chinese naval and other ships intercepted the *Impeccable*, a U.S. Navy ocean surveillance ship, maritime militia members were reportedly seen aboard a fishing boat that was trying to remove a sonar from the U.S. ship. In 2019 when Chinese maritime survey ships were operating in Vietnam's exclusive economic zone, maritime militia ships were reportedly seen along with Chinese government ships. Given the China's emphasis on the necessity of "fully exerting the overall power of the military, police and militia" on the seas, attention should be paid to these asymmetrical forces, too.

See Fig. 1-2-2-5 (The Coast Guard's Transfer to the PAP)

(5) Air Forces

China's air forces consist mainly of the Navy's air units and the Air Force. As for fourth-generation fighters, China has introduced from Russia the Su-27 and Su-30 and the Su-35 latest fourth-generation fighter. China is also developing its own domestic modern fighters. China has started the mass production of the J-11B fighter, a suspected copy of the Su-27, and the J-16 fighter, a suspected copy of the Su-30, as well as the domestic J-10 fighter. The J-15 fighter aboard the aircraft carrier "Liaoning" is viewed as a copy of the Russian Su-33. China has also reportedly begun to deploy the **J-20 fifth-generation fighter** and been developing the J-31. It has been pointed out that the J-31 fighter could be the base for developing the replacement for the J-15 carrier-based fighter.

As China is continuing the modernization of its bombers

as well, the Air Force has increased the number of **H-6 bombers**, which are believed to be capable of carrying long-range land-attack cruise missiles with nuclear capability. In an attempt to improve bombers' long-range operation capabilities, the Air Force has reportedly begun to operate H-6N bombers that can take advantage of aerial refueling to fly longer. It is believed to be developing a new long-range stealth bomber called H-20. It is also pointed out that China is developing an air-launched ballistic missile with nuclear capability to be carried by such bombers, and a stealth fighter bomber.

China is also making continuous efforts to improve capabilities which are essential for operations of modern air power by introducing the H-6U and IL-78M aerial refueling tankers and the KJ-500 and KJ-2000 early warning and control aircraft. Since July 2016, China has promoted the deployment of the indigenously developed Y-20 large transport aircraft, which has reportedly become a base for



GJ-11 UAV exhibited at the military parade commemorating the 70th anniversary of China's founding (October 2019)

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.



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 bomber. The H-6 can carry cruise missiles (CJ-20) that can be loaded with nuclear warheads.



developing aerial refueling tankers and other mission support aircraft.

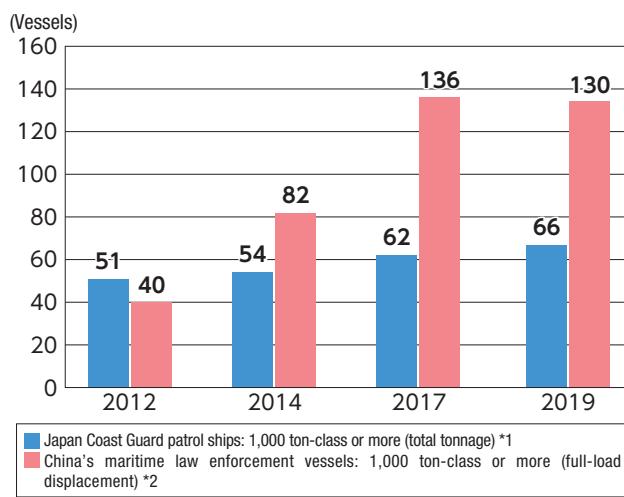
China is rapidly developing a variety of domestic unmanned aerial vehicles (UAVs), including high-altitude,

long-endurance (HALE) UAVs for reconnaissance and other purposes as well as those capable of carrying weapons such as missiles. Some of these are deployed and actively exported. In fact, it is suggested that the Chinese Air Force has created a UAV unit for attack missions and frequently used UAVs for reconnaissance and other purposes in waters and airspace surrounding China. At the military parade to celebrate the 70th anniversary of China's founding in October 2019, the GJ-11 known as a stealth attack UAV and the WZ-8 claimed to be a high-altitude, high-speed reconnaissance UAV were displayed for the first time. It has been noted that China is improving "Swarm" technology to operate a large number of small low-cost UAVs.

Given such modernization of the air forces, it is believed that China is steadily improving not only its defense capabilities for its national airspace but also capabilities for conducting combat operations, and supporting ground and maritime forces in more distant areas.

See Fig. I-2-2-6 (Buildup of Chinese Government Ships)
Fig. 1-2-2-7 (Major Chinese Navy and Air Forces)

Fig. I-2-2-6 Buildup of Chinese Government Ships

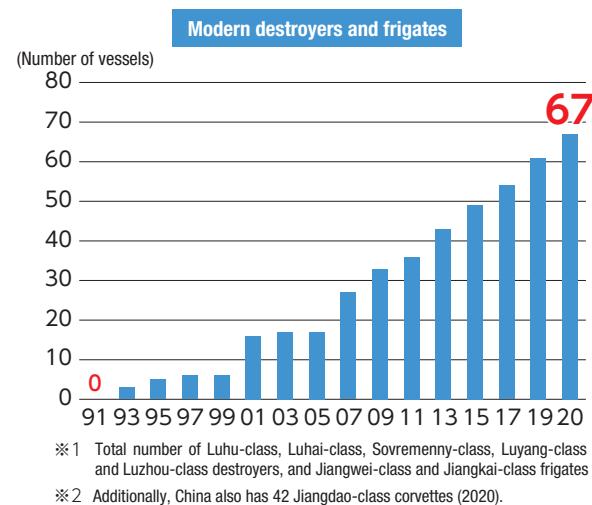
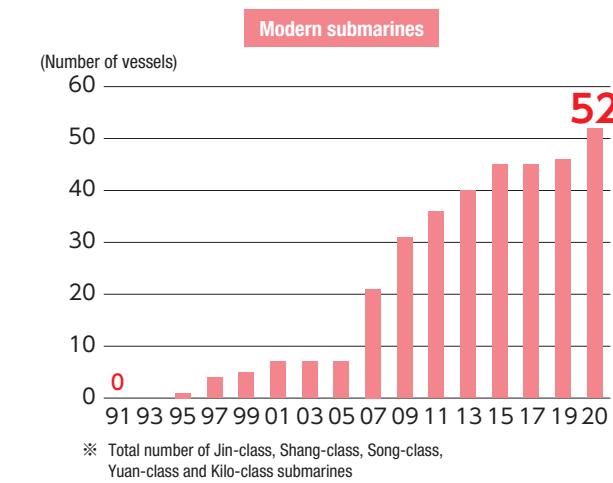


* 1 Number of ships as of the end of FY2019

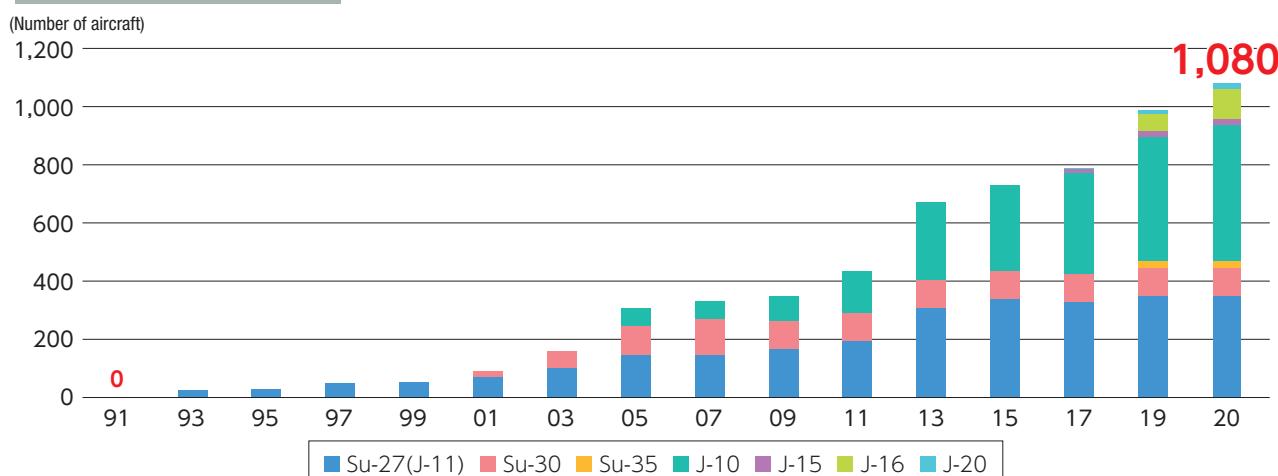
* 2 Number of vessels as of the end of December 2019; Estimation based on publicized information (may be altered in the future)

※ According to "Japan Coast Guard Annual Report 2020," Japan Coast Guard

Fig. I-2-2-7 Major Chinese Navy and Air Forces



Fourth and fifth generation fighters



(6) Space, Cyber, and Electromagnetic Spectrum Capabilities

Information gathering, and command and communication in the military sector have increasingly relied 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,” indicating that it has recognized the importance of taking on information mastery in wartime when it must protect its own information systems and networks while neutralizing those of its adversaries. In fact, the PLASSF established at the end of 2015 apparently takes charge of outer space, cyberspace, and electronic warfare missions for intelligence support for all military forces.

In its white paper titled “China’s Space Activities” and released in December 2016, China does not rule out its use of outer space for military purposes. Given that administrative organizations and state-owned enterprises involved in the use of outer space in China are pointed out as having close cooperative ties with the military, it is considered that China is planning to improve its capabilities for military operations in outer space.⁹ China is said to have developed its space program in the shortest time in the world. Specifically, China has rapidly increased the number of satellites available for military purposes in recent years. For example, the “BeiDou” global satellite positioning system, which is called a Chinese-version GPS and pointed out as available for ballistic missiles and other guided weapons systems, started its global operation service in late 2018 and has reportedly been continuing to be improved. Moreover, China is thought to be developing weapons including anti-satellite weapons using missiles and laser equipment, as well as killer satellites, in order to restrict and interfere with the use of space-based assets by adversaries in wartime.¹⁰

As for the cyber domain, China sees cyber security as a serious national security threat it faces and vows that China’s armed forces will build cyber defense capabilities, reinforce national cyber border defense, immediately find and block crackers, secure information network security, and unshakably protect national cyber sovereignty, information security, and social stability.¹¹ It has been noted that current major military exercises always contain cyber operations

covering both attacks on and defense of command systems. Cyberattacks on enemy networks are likely to bolster China’s “A2/AD” capabilities. The militia as a part of China’s armed forces reportedly includes “cyber militias” with excellent cyber domain 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 capabilities has been noted. Y-8 electronic warfare aircraft, which frequently fly near Japan, are pointed out along with J-15 carrier-based fighters, J-16 fighters and H-6 bombers that appear to be equipped with electronic warfare pod systems giving them electronic warfare capabilities.

(7) Efforts to Develop Joint Operational Capabilities

In recent years, initiatives have been under way to improve joint operational capabilities in areas from the front line to logistics. The CMC Joint Operations Command Center is believed to have been established under the initiatives for the CCP to carry out decision making at the highest strategic level. The five new theaters established in February 2016 are seen as representing permanent joint operation headquarters. Given that the Navy’s Vice-Admiral Yuan Yubai became the first non-Army theater commander in January 2017, it is assumed that progress is being made towards joint operations in the area of human resources. In recent years, China has implemented tri-service joint exercises giving priority to practicality and other drills to improve its joint operational capabilities. These drills are apparently designed to secure the effectiveness of the abovementioned organizational reforms and other initiatives to improve joint operational capabilities. In response to the novel coronavirus disease, which emerged in China from late 2019, China has reportedly implemented not only joint military operations but also the mobilization of civil resources. The Joint Logistics Support Force specialized in logistics has played a core military role in the response while receiving support from each theater and service. In addition, militias and national-defense-mobilized personnel have also reportedly participated in the response, which has attracted attention as a case indicating comprehensive joint logistic support capabilities.

⁹ According to “The Worldwide Threat Assessment,” the U.S. Director of National Intelligence (January 2019)

¹⁰ According to “The Worldwide Threat Assessment,” the U.S. Director of National Intelligence (January 2019)

¹¹ According to the defense white paper “China’s National Defense in the New Era” (July 2019).

Given that General Secretary Xi spoke about enhancing joint operational capabilities at the 19th CCP National Congress in October 2017 and has reiterated the pursuit of a military that “can fight and win a war,” the abovementioned moves towards joint operations are expected to progress further.

6 Maritime and Airspace Activities

(1) General Situation

Recently, China is believed to be aiming to build up capabilities for operations in more distant waters and airspace, including those to project power to waters including the so-called second island chain, beyond the first island chain. In such efforts, China has rapidly expanded and intensified its activities in the maritime and aerial domains using its naval and air powers. In waters and airspace surrounding Japan, particularly, Chinese naval vessels, and naval and air force aircraft suspected as conducting training and information gathering activities have been observed frequently, along with Chinese naval ships heading for the Pacific and Indian Ocean and numerous Chinese Coast Guard ships and aircraft operating under the name of protecting maritime interests. Their activities include Chinese government ships’ intermittent intrusions into Japan’s territorial waters, Chinese aircraft’s intrusions into Japan’s airspace, and dangerous acts that could cause unintended consequences, such as the directing of fire-control radar at Japanese Self-Defense Forces (SDF) ships and aircraft, Chinese military fighter jets’ abnormally close approach to Japanese SDF and U.S. military aircraft, and the establishment of the “East China Sea ADIZ” and other activities that could infringe upon the freedom of overflight. These activities have become a grave matter of concern and are very deplorable. In the South China Sea, China is moving forward with militarization, and expanding and intensifying its activities in the maritime and aerial domains, attempting to create a fait accompli for unilaterally changing the status quo by coercion. It is strongly hoped that China will act on the basis of the principle of the rule of law and play active roles in the region and the international community in a more cooperative manner.

(2) Military Activities 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. These activities include those allegedly based on China’s unilateral claim on the Senkaku Islands, and cases involving the one-sided escalation of activities, creating a situation of great concern to Japan. The Air Self-Defense Force (ASDF) has continued to make frequent scrambles against Chinese aircraft, as indicated by an all-time high of 851 scrambles in FY2016. China has also continued naval ships’ passage through waters near Japan for navigation to distant waters such as the Indian Ocean, as well as activities viewed as training of maritime and air forces making forays to the Pacific and the Sea of Japan. Although China can be suspected of intending to “regularize” these activities, there is a view that China is attempting to take advantage of the “regularization” to alleviate concerns over these activities.¹² At the same time, it appears that China continues to improve the complexity of its activities. Given that Chinese efforts are also seen to improve practical joint operational capabilities, Chinese military activities in Japan’s surrounding waters and airspace should be closely watched with grave attention.

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. Stating its own position regarding Japan’s Senkaku Islands, China claims that patrols by Chinese naval vessels in the sea areas under its jurisdiction are completely justifiable and lawful. Chinese naval vessels have been continuously operating in the areas near Japan’s Senkaku Islands. In June 2016, a Jiangkai I-class frigate became the first ever Chinese Navy combatant vessel to enter 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 the contiguous waters off the Senkaku Islands.

In recent years, Chinese Navy intelligence gathering vessels (AGIs) have also been found conducting activities in multiple cases. A Chinese Navy Dongdiao-class AGI

¹² According to Taiwan’s 2009 National Defense Report.

repeatedly navigated back and forth outside of the contiguous zone south of the Senkaku Islands in November 2015. In June 2016, an AGI of the same type sailed in Japan's territorial waters near Kuchinoerabujima Island and Yakushima Island, and then passed 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 Japanese territorial waters in the approximately 12 years since 2004.

China's air forces are also actively conducting activities in the East China Sea on a routine basis. Their activities are thought to include warning and surveillance, combat air patrols (CAPs), and training. Chinese military aircraft have recently become more active in airspace closer to Japan's Southwestern Islands. Their activities have possibly been intended to operate the "East China Sea ADIZ." In April 2018, an alleged Chinese BZK-005 unmanned reconnaissance vehicle was identified flying over the East China Sea. Furthermore, Chinese military aircraft have been confirmed as operating in airspace close to the Senkaku Islands in recent years.

b. Advancements into the Pacific Ocean

Chinese Navy combatant vessels continue to transit the waters near Japan to advance into the Pacific Ocean and return to base with high frequency. The advancement routes are multiplying. Chinese naval vessels have been confirmed as transiting the sea area between the main island of Okinawa and Miyakojima Island, and have been found passing through the Osumi Strait, the sea area between Yonagunijima Island and Nakanokamishima Island near Iriomotejima Island, the sea area between Amamioshima Island and Yokoatejima Island, the Tsugaru Strait, and the Soya Strait. Through these activities, China has apparently attempted to "regularize" naval ships' advancements into the Pacific Ocean through waters near Japan and improve its capabilities for accessing the open ocean and conducting operations there. In December 2016, the aircraft carrier "Liaoning" navigated the East China Sea together with other vessels and passed the sea area between the main island of Okinawa and Miyakojima Island to advance to the Pacific for the first time. In April 2018, the Chinese Ministry of National Defense announced that the aircraft carrier "Liaoning" and multiple other vessels 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 Japanese Maritime Self-Defense Force (MSDF), conducting warning and surveillance, confirmed for the first time the carrier used for what were presumed to be carrier-based fighters for take-off and landing in 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 Fuyu-class fast combat support ship pointed out to be for supplying the aircraft carrier group. Furthermore, in April 2020, a fleet, including the aircraft carrier "Liaoning," passed through the waters of the main island of Okinawa and Miyakojima island to enter the Pacific Ocean, and deployed through the Bashi Strait to the South China Sea. Later, the fleet again passed through the Bashi Strait and entered the Pacific Ocean. Within the same month it passed through the waters of the main island of Okinawa and Miyakojima island to the East China Sea. In this voyage, carrier-based fighters have been seen taking-off and landing in the Pacific too. The activities are worthy of attention as indicating the enhancement of the capabilities of China's naval forces, including the aircraft carrier, and the improvement of its capabilities to project power to more distant areas. Given a Chinese nuclear-powered submarine's submerged passage through Japan's territorial waters around the Sakishima Islands in November 2004 and a Chinese Navy Shang-class submarine's submerged passage from the Pacific Ocean toward the East China Sea through Japan's contiguous zone northeast of Miyakojima Island in January 2018, it is thought that Chinese submarines also have conducted some activities in the Pacific.

Regarding air forces, the advancement of a PLAN 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. The types of aircraft passing through the airspace have also diversified year by year. H-6K bombers and Su-30 fighters were confirmed by 2016 and the first Y-8 EW aircraft in July 2017. At least one bomber was confirmed as carrying objects in the form of missiles. The U.S. DoD has pointed out that such Chinese bomber flights

indicated the Chinese forces' training targeting the United States and its allies.¹³ Flight patterns of Chinese military aircraft 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 confirmed as flying around Taiwan. In August 2017, H-6K bombers were confirmed as flying to waters off the Kii Peninsula after advancing to the Pacific Ocean via waters between the main island of Okinawa and Miyakojima Island. Through frequent long-distance flights of bombers and other aircraft, including advancements to the Pacific, and their advanced flight paths and composition, China is thought to be demonstrating its presence around areas including those surrounding Japan, and planning further enhancements to more practical operational capabilities.

Additionally, activities considered planned to improve sea and air joint operational capabilities in more distant areas, such as what seemed to be air-to-ship attack drills including advancements to the Pacific Ocean, have been seen in recent years. In April 2019 and February 2020, the PLA Eastern Theater Command announced that joint training was conducted in waters east of Taiwan. China is expected to further expand and intensify naval and air activities in the Pacific Ocean.

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 ships were announced for the first time in August 2016. Three aircraft apparently participated in the exercises, including two H-6 bombers that passed through the Tsushima Strait into the Sea of Japan for the first time.

In December 2017, Chinese Air Force aircraft (H-6K bombers) passed through the Tsushima Strait and advanced to the Sea of Japan for the first time. Then, Chinese fighter aircraft (Su-30 fighters) were confirmed as advancing to the Sea of Japan for the first time. In February 2018, it was confirmed for the first time that the Y-9 intelligence gathering aircraft entered the Sea of Japan via the Western Channel of Tsushima Strait (the strait between Tsushima in Nagasaki



China Coast Guard vessels repeatedly intruding into the Japanese territorial waters around the Senkaku Islands [provided by the Japan Coast Guard]

Prefecture and the Korean Peninsula).

Since 2018, China's sea and air forces have further intensified activities in the Sea of Japan involving passages through the Tsushima Strait. It is considered that the PLA will continue to expand and intensify its activities in the Sea of Japan.

(3) Activities of Chinese Ships Including Government Vessels, and Aircraft around the Senkaku Islands, etc.

Chinese government vessels have been seen almost every day in the contiguous zone of the Senkaku Islands, Japan's inherent territory, and intruded into Japan's territorial waters around the islands three times a month on average. Despite Japan's strong protests, they continued to intrude into the Japanese territorial waters in FY2019. In May 2020, Chinese government vessels entered Japan's territorial waters around the Senkaku Islands for three consecutive days. From May 9 to 10, they continued to cruise in Japan's territorial waters for more than 26 hours and approached and followed a Japanese fishing boat.

In December 2008, China Maritime Surveillance vessels intruded into Japan's territorial waters and hovered and drifted, running counter to international law. Later, China Maritime Surveillance and China Fisheries Law Enforcement Command vessels gradually intensified their activities in the Japanese territorial waters. Such activities have intensified greatly since September 2012, when the Japanese Government acquired the ownership of three of the Senkaku Islands (Uotsurishima Island, Kitakojima Island, and Minamikojima Island). The number of Chinese government ships intruding into the Japanese territorial waters in a day had been limited to two or three until August 2016. Later, however, the number has reached four frequently.

¹³ According to "Annual Report to Congress: Military and Security Developments Involving the People's Republic of China," U.S. DOD (August 2018).

China is seen to be steadily strengthening an operational posture intended to use government vessels to intrude into Japan's territorial waters. Specifically, government vessels sent to waters near the Senkaku Islands have grown larger in size. At least one of the government vessels intruding into Japan's territorial waters has been a 3,000-ton or larger vessel since August 2014. Since February 2015, three 3,000-ton or larger government vessels have been confirmed as entering Japan's territorial waters simultaneously. Since December 2015, Chinese government ships armed with what appear to be cannons have repeatedly intruded into the Japanese territorial waters.

Cases indicating the improvement of Chinese government vessels' operational capabilities have been also confirmed. From April to June 2019, Chinese government vessels were seen in the contiguous zone of the Senkaku Islands for a record 64 consecutive days. In that year, the number of days when Chinese government vessels were seen in the contiguous zone of the Senkaku Islands hit an all-time high of 282. The total number of Chinese government vessels seen in the zone also reached an all-time high of 1,097.

Additionally, cases indicating China's capabilities to send

numerous government vessels to waters around the Senkaku Islands simultaneously have also been identified. In early August 2016, approximately 200 to 300 Chinese fishing boats advanced to the contiguous zone of the Senkaku Islands. At that time, as many as up to 15 Chinese government vessels were confirmed in the contiguous zone simultaneously. Over five days, a large number of Chinese government vessels and fishing boats repeatedly intruded into Japan's territorial waters.

In December 2012, a fixed-wing aircraft of the State Oceanic Administration was identified as the first Chinese aircraft to intrude into Japan's airspace around the Senkaku Islands. Until March 2014, aircraft of the State Oceanic Administration were frequently confirmed as approaching the airspace. 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 the Japanese territorial waters around the Senkaku Islands. This flight also constitutes an invasion of Japan's territorial airspace.

China has thus relentlessly continued attempts to unilaterally change the status quo by coercion in the sea area around the Senkaku Islands, leading to a grave matter

Fig. I-2-2-8 PLA's Recent Activities in the Surrounding Sea Area and Airspace of Japan (image)

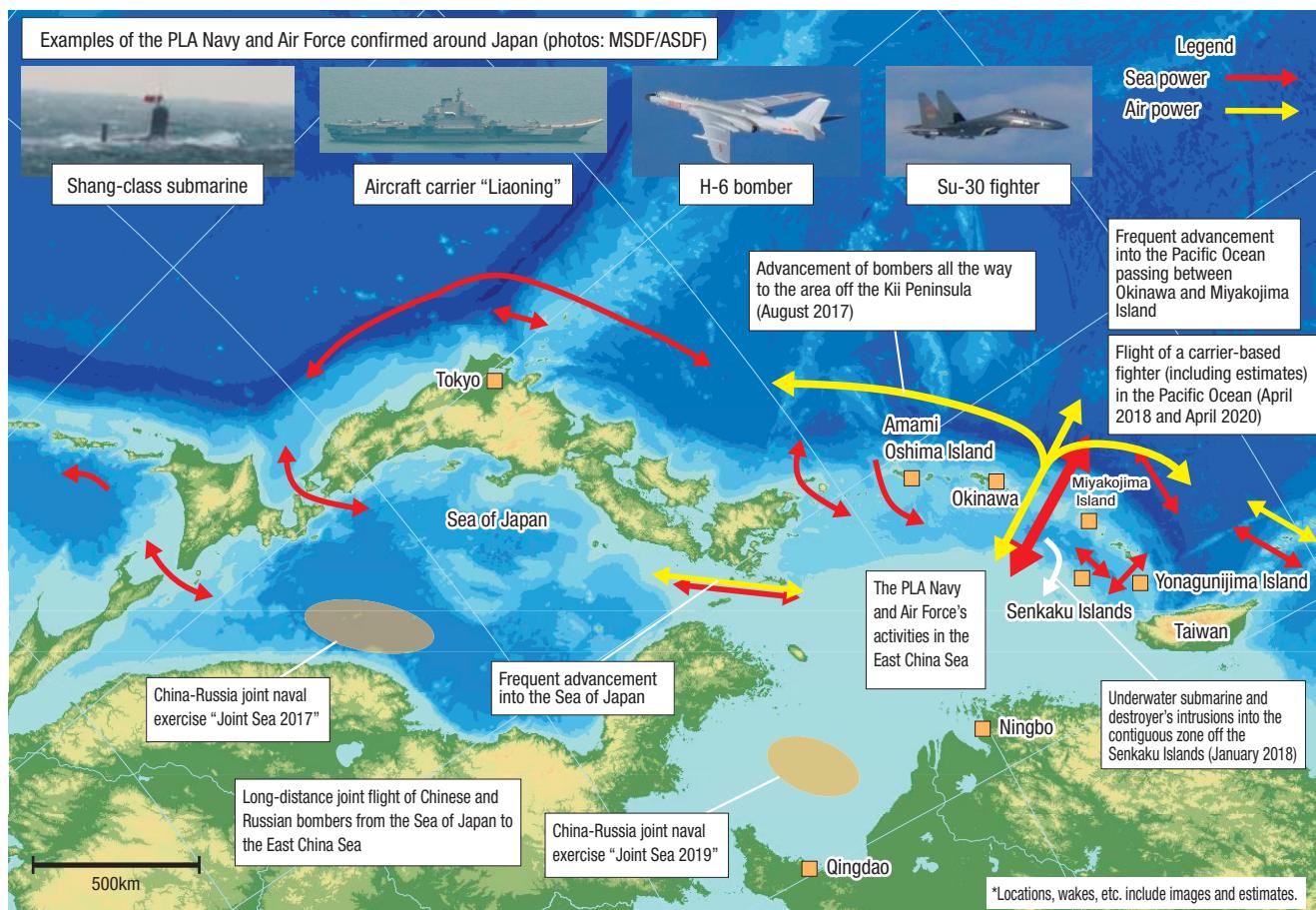
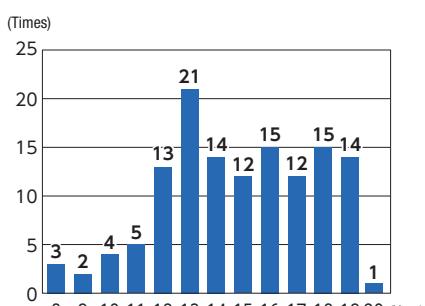


Fig. I-2-2-9

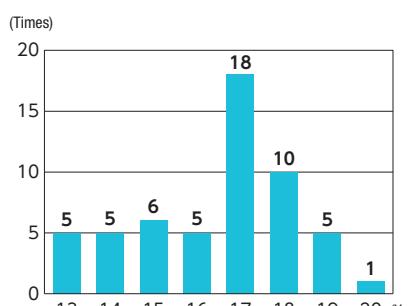
Number of Announcements of Chinese Combatant Ships' Activities around the Southwestern Islands and the Soya and Tsugaru Straits



※ The figure for 2020 is as of the end of March.

Fig. I-2-2-10

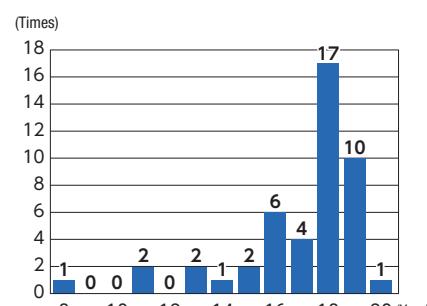
Number of Announcements of Chinese Military Aircraft's Passage between the Main Island of Okinawa and Miyakojima Island



※ The figure for 2020 is as of the end of March.

Fig. I-2-2-11

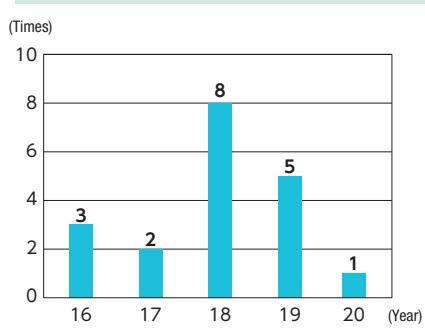
Number of Announcements of Chinese Combatant Ships' Passage through the Tsushima Strait



※ The figure for 2020 is as of the end of March.

Fig. I-2-2-12

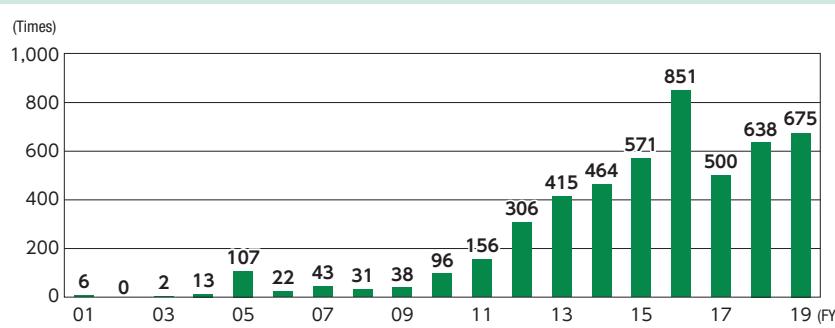
Number of Announcements of Chinese Military Aircraft's Passage through the Tsushima Strait



※ The figure for 2020 is as of the end of March.

Fig. I-2-2-13

Changes in the Number of Scrambles against Chinese Aircraft



of concern. Japan cannot accept China's actions to escalate the situation.

Among waters other than those around the Senkaku Islands, Chinese government vessels were confirmed as passing through the territorial waters of Japan around Tsushima Island (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 Kusagaki Islands (both in Kagoshima Prefecture) in August that year. In July 2019, a Chinese government vessel was seen sailing in Japan's territorial waters around Tappisaki and Omasaki (both in Aomori Prefecture).

- See** Fig. I-2-2-8 (PLA's Recent Activities in the Surrounding Sea Area and Airspace of Japan [image])
- Fig. 1-2-2-9 (Number of Announcements of Chinese Combatant Ships' Activities around the Southwestern Islands and the Soya and Tsugaru Straits)
- Fig. 1-2-2-10 (Number of Announcements of Chinese Military Aircraft's Passage between the Main Island of Okinawa and Miyakojima Island)
- Fig. 1-2-2-11 (Number of Announcements of Chinese Combatant Ships' Passage through the Tsushima Strait)
- Fig. 1-2-2-12 (Number of Announcements of Chinese Military Aircraft's Passage through the Tsushima Strait)
- Fig. I-2-2-13 (Changes in the Number of Scrambles against Chinese Aircraft)
- Fig. 1-2-2-14 (Chinese Government Vessels' Activities around the Senkaku Islands)

(4) Trends of Activities in the South China Sea

China has also been intensifying its activities based on its own assertions in the South China Sea, including waters around the Spratly Islands and the Paracel Islands, over which territorial disputes exist with neighbors, including some member states of the Association of Southeast Asian Nations (ASEAN).

Since 2014, on seven features of the Spratly Islands (Fiery Cross Reef, Mischief Reef, Subi Reef, Cuarteron Reef, Gaven Reefs, Hughes Reef, and Johnson South Reef), China pressed ahead with large-scale and rapid land reclamation. 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 military activities while promoting 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, to militarize these features.

On Fiery Cross, Subi and Mischief Reefs, called the Big Three of the Spratly Islands, China has developed batteries for anti-aircraft guns, missile shelters, underground storage facilities pointed out to be munitions storage, large ports capable of accommodating combatant ships and runways available for takeoff and landing of fighters and bombers. On Fiery Cross Reef in April 2016, a Navy patrol aircraft flying over the South China Sea landed for a nominal purpose of evacuating emergency patients. On Subi and Mischief Reefs in July of the same year, China forced aircraft test flights on runways available for the takeoff and landing of large aircraft. Reportedly, a Y-7 transport aircraft was confirmed on Mischief Reef in January 2018 and a Y-8 special mission aircraft on Subi Reef in April that year. Additionally, in April 2018, it was reported that anti-ship cruise missiles and surface-to-air missiles were deployed on Fiery Cross, Subi and Mischief Reefs for military training and that radar jamming systems were deployed on Mischief Reef. Furthermore, it was reported in May 2020 that China possibly deployed aircraft including Y-8 patrol and Y-9 early warning aircraft and other aircraft to the Fiery Cross Reef in rotation. 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 Indo-Pacific region.

China carried out the militarization of the Paracel Islands before that of the Spratly Islands. China has reportedly extended the runway to nearly 3,000 m on Woody Island since 2013. In October 2015, October 2017, and June 2019, China was reported to have deployed J-11, J-10 and other fighters on the island. 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 on the shoal might be seen in the future.¹⁴ It is also pointed out that if China conducts land reclamations and installs radar facilities, runways, and other infrastructure on Scarborough Shoal, it could possibly increase its ability for situation awareness 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.

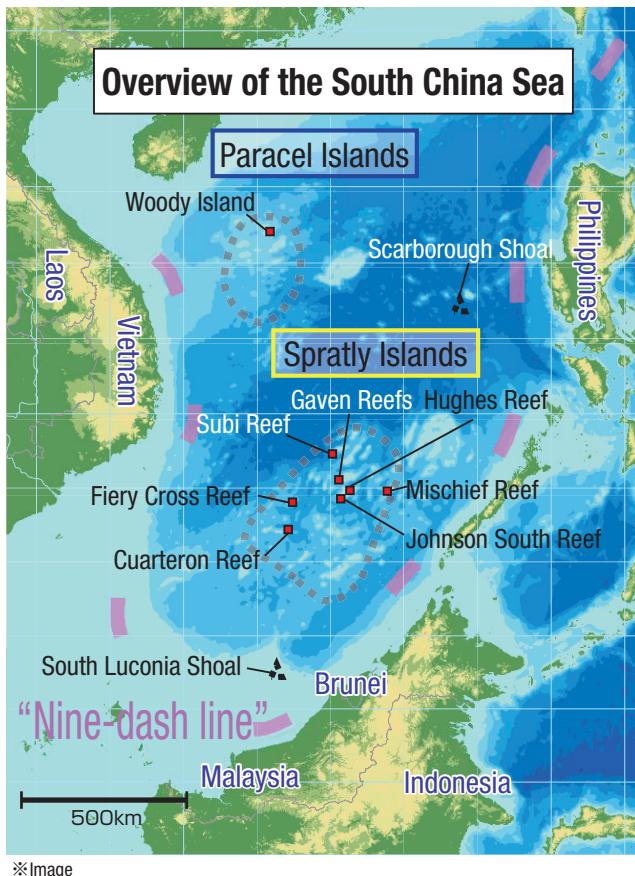
The activities in sea and airspace are expanding and intensifying as well. In March 2009, December 2013 and September 2018, Chinese naval and other vessels approached and intercepted U.S. Navy vessels navigating in the South China Sea. In May 2016, February 2017 and May 2017, PLA fighters allegedly flew close to U.S. Forces aircraft. In July and August 2016, after the Philippines-China arbitration award was rendered, PLAAF 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.” In December 2016, H-6 bombers reportedly flew along the so-called nine-dash line. In September of the same year,

the China-Russia bilateral 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, were conducted in the same area from the end of March until April 2018. In 2019, anti-ship ballistic missile tests were reportedly conducted in the South China Sea for the first time. In 2019 and in April 2020, the deployment of the aircraft carrier “Liaoning” accompanied by Fuyu-class fast combat support and other ships in the South China Sea was reported. Furthermore, Chinese government vessels reportedly fired warning shots at fishing boats of neighboring countries. When Chinese government vessels interrupted Vietnam’s oil and natural gas development within its exclusive economic zone from July to October 2019, they reportedly visited Fiery Cross Reef for supply. In this way, it appears that China seeks to expand its military and other forms of presence and enhance war-sustaining and other joint operational capabilities in the South China Sea.

Such activities conducted by China based on its own assertions unilaterally change the status quo and further

Fig. I-2-2-15

China's Militarization of the South China Sea (image)



Example of militarization

Hughes Reef

February 2010

November 23, 2016

Artillery batteries

Fiery Cross Reef

August 2014

Radar and communications facilities

February 2016

CSIS AMTI DigitalGlobe

Aircraft identified on Subi Reef, which was allegedly a Chinese Navy patrol aircraft (2018)



(Photo sources) CSIS Asia Maritime Transparency Initiative / Digital Globe

¹⁴ According to the statement by U.S. Chief of Naval Operation John Richardson in March 2016.

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 and other G7 Member States. China asserts that some of the ASEAN member states including the Philippines and Vietnam are illegitimately occupying features. 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.¹⁵

In any case, the issues surrounding the South China Sea are directly related to peace and stability in the Indo-Pacific region and are a legitimate concern not only for Japan, which has major sea lanes in the South China Sea, but also for the entire international community. 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. 1-2-2-15 (China's Militarization of the South China Sea [image])

(5) Trends in the Indian Ocean and Other More Distant Waters

The Chinese Navy is considered to be shifting towards “protection missions on the far seas” and has been steadily increasing its capabilities to conduct operations in more distant waters, such as the Indian Ocean, in recent years. Progress has been seen in the Navy’s development of such equipment as large combatant ships and replenishment ships and in its operational initiatives. For example, since December 2008, Chinese Navy vessels have been deployed off the coast of Somalia and in the Gulf of Aden to take part



China-Russia-South Africa Joint Naval Exercise (November 2019)
[Avalon/Jiji Press Photo]

in international counter-piracy efforts. In December 2019, the Chinese Navy conducted its first multilateral exercise with its Russian and Iranian counterparts in the northern Indian Ocean. Activities of Chinese Navy submarines have also been confirmed continuously in the Indian Ocean. They have been reported to make port calls at Sri Lanka’s Colombo, Pakistan’s Karachi, and Malaysia’s Kota Kinabalu. In January 2020, China reportedly sent a submarine for drills with Pakistan in the northern Arabian Sea.

Chinese forces have expanded activities not only in the Indian Ocean but also in other waters. In September 2016, China-Russia “Joint Sea” bilateral naval exercises took place in waters including the Mediterranean Sea. In November 2019, the Chinese Navy conducted its first multilateral exercises with its Russian and South African counterparts in waters around the Cape of Good Hope. China has also deployed a space observation support ship in the southern Pacific and dispatched a military hospital ship to waters including the southern Pacific as well as those near Latin America under “Mission Harmony.”

In September 2015, five Chinese military vessels reportedly sailed in the high seas of the Bering Sea and 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. It is pointed out that China could take advantage of scientific survey and commercial activities to increase its presence including military activities in the Arctic sea.¹⁶

Additionally, China has been remarkably trying to secure overseas outposts such as harbors, which would help support its operations in far seas. For example, in August 2017, China

Column

“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.

¹⁵ According to “The Asia-Pacific Maritime Security Strategy” U.S. DoD (August 2015).

¹⁶ According to “Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China,” U.S. DOD (May 2019).

began to operate a “support base” for logistics support of the PLA in Djibouti, a strategic point in Eastern Africa facing the Gulf of Aden. Since April 2018, a pier viewed as potentially accommodating large replenishment ships has been under construction on the “support base” coast. In recent years, China has been promoting its **“Belt and Road” Initiative (BRI)** 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 bilateral and multilateral exercises. While it is thought that the initiative includes a strategic intention to expand its influence in the region, it is possible that the initiative will further improve the PLA’s operational capabilities in the Indian Ocean, Pacific Ocean and elsewhere. For example, China’s support for the construction of port infrastructure in Pakistan, Sri Lanka, Bangladesh and other Indian Ocean countries as well as Pacific island countries including Vanuatu could lead China to secure outposts available for its military purposes.

(6) Objectives of Activities in Waters and Airspace

The development and activities of Chinese naval and air forces, descriptions in defense white papers, China’s geographical conditions and globalizing economy, and other factors indicate that the recent water and airspace activities of the Navy, Air Force and other Chinese organizations 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 territorial land, waters and airspace. Behind this objective is an increase in the 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 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 on islands subject to China’s territorial claims and enhance the claims through various surveillance activities and use

of force in waters and airspace surrounding these islands. Such activities are considered to also have the purpose of creating a fait accompli as part of the reasons for unilaterally changing the status quo and justifying China’s claims based on its own concept of “legal warfare.”

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 four platforms, China has built 12 additional offshore platforms on the Chinese side of the Japan-China median line of the East China Sea since June 2013. In late June 2016, the installment of an anti-surface vessel radar and a surveillance camera was confirmed on one of the platforms. Attention is to be paid to matters regarding the platforms, including the purpose of such equipment. Japan has repeatedly lodged protests against China’s unilateral development and demanded the termination of such work.

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 Chinese economy. Given the recent strengthening of the Chinese Navy and Air Force, it is believed that they have been expanding military capabilities to cover distant waters beyond China’s near seas.

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

Meanwhile, in recent years, China has shown interest in taking steps to avoid and prevent unexpected contingencies in 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 the implementation of their Maritime and Air Communication Mechanism between the Defense Authorities to avoid unexpected collisions between SDF and PLA vessels and aircraft.

7 International Military Activities

In recent years, the PLA has been indicating its positive attitude on nontraditional security missions such as peacekeeping, humanitarian assistance and disaster relief, and counterpiracy, dispatching numerous units for such overseas missions.

China has vowed to consistently support and actively participate in UN PKO, increasing its presence in UN PKO. According to the Chinese UN delegation, China has sent more than 40,000 military personnel to UN PKO (as of February 20, 2020). According to the UN, as of the end of January 2020, China had a total of 2,544 troops, civilian police and military observers — the largest number of peacekeepers among 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 share of the UN PKO budget. The Chinese share has remained the second largest, after the U.S. share, since 2016.

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 nationals for the first time.

It is pointed out that factors behind such Chinese attitude include the growing need for protecting and promoting China's national interests overseas following the expansion of national interests beyond its national borders, China's attempt to verify military capabilities including units' long-distance deployment, its intent to raise its status by demonstrating its will to fulfill its responsibilities to the international community, its hope to diffuse the military's peaceful and humanitarian images, and its attempt to enhance relations with PKO regions including African countries.

8 Education and Training

In recent years, the PLA under the policy of building a military that "can fight and win a war" has promoted practical exercises including large-scale ones such as joint exercises led by theater commands, force-on-force exercises, landing exercises, inter-theater exercises, and large exercises

including distant ones, as well as night-time exercises and joint exercises with other countries, in order to strengthen its operational capabilities. 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 principle. 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 for rectifying 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.

China outlined the promotion of the "rule of law" at the fourth plenary session of the 18th CCP Central Committee in 2014, with Chairman Xi referring to the military as being controlled by law, indicating that the PLA is required to thoroughly implement the "rule of law." In another development for the indication, 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 Commission, the supreme decision-making body in the military. The issuance of the trial regulation on military supervision work in January 2020 also suggests the rule of law promotion.

China has been developing defense mobilization systems in order to effectively utilize private resources in case of emergencies, including wars. It enforced the National Defense Mobilization Law as the basic law for defense mobilizations in 2010 and the National Defense Transportation Law for the transportation area in 2016. 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 not only in emergencies but also in peacetime. The military use of civilian resources includes civilian ships' transportation of military equipment. As such initiative

generally augments China's forces available for military missions and is expected to proactively be promoted in the future, the initiative's implications for the Chinese military forces' operational capabilities should be watched closely.

9 National Defense Industry Sector

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's main national defense industry had consisted of 12 corporations to develop and produce nuclear weapons, missiles and rockets, aircraft, vessels, information systems and other military equipment. The Chinese national defense industry's arms sales were pointed out as the second largest after those in the United States in 2017.¹⁷ After China State Shipbuilding Corporation merged with China Shipbuilding Industry Corporation in 2019, the industry now comprises 11 corporations including China State Shipbuilding Corporation.

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 the enhancement of its military industrial sector, including the domestic production of equipment, to modernize its military. It has been pointed out that China is acquiring technologies ambitiously not only through domestic technology research and development and foreign direct investment, but also via illegal means in the form of secret information theft.¹⁸ The trend of the national defense industry sector is directly linked to the modernization of the military and should be closely watched with strong attention.

China's civil-military fusion policy has been evident in the technology area. China promotes two-way technological exchanges where military technologies are utilized for developing the national economy while civilian technologies are absorbed for national defense development. It also seems interested in absorbing foreign technologies available both for military and civilian purposes. It is pointed out that China's civil-military fusion policy gives priority to initiatives in seas, outer space, cyber, AI, and other emerging areas for China.

In recent years, China has reportedly promoted the standardization of civilian products for their military adoption from the production stage under the civil-military fusion policy. This initiative is expected to allow the military to more effectively utilize civilian resources.

3 Relations with Countries and Regions

1 General Situation

China, particularly regarding maritime issues over which its interests conflict with others', continues to demonstrate its attitude of realizing its unilateral assertions without compromise, while promoting assertive actions including those to change the status quo by coercion and create a fait accompli for such changes, based on its own assertions incompatible with the existing international order. China has been promoting its BRI as a national strategy, but some BRI-participating countries have recently reconsidering BRI projects due mainly to their fiscal deterioration. Furthermore, it has been pointed that there have been moves toward creating China's own international order, including the establishment of China-led multilateral mechanisms in security, financial and other areas. It has also been noted that China has tried

to influence political decisions in other countries through efforts such as winning over foreign politicians.¹⁹

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 has advocated building a "community of shared future for mankind" and referred to promoting the building of "a new type of international relations based on mutual respect, equity and justice, and win-win cooperation." China proactively carries out military exchanges with other countries. In recent years, China has been engaged in active military exchanges not only with major powers such as the United States and Russia and with its neighboring countries including Southeast Asian countries, but also with countries in Africa and Latin America. The objectives of China's promotion of

¹⁷ According to "Insights on Peace and Security, No. 2020/2," Stockholm International Peace Research Institute (SIPRI) (January 2020).

¹⁸ According to "Annual Report to Congress: Military and Security Developments Involving the People's Republic of China," U.S. DoD (May 2019).

¹⁹ According to the statement by then Australian Prime Minister Malcolm Turnbull in December 2017.

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, exploring overseas arms markets, securing stable supplies of natural resources, and ensuring foreign bases.

2 Relations with Taiwan

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

3 Relations with the United States

There are various issues between the United States and China, such as trade issues, issues concerning the South China Sea, the Taiwan issue, the Hong Kong issue, and human rights issues regarding Uighur and Tibet. 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, it is likely that China is trying to further develop relations with the United States through mutual respect and "win-win" cooperation. At the same time, however, it must be noted that China has indicated its attitude of making no compromise regarding its "core interests and major concerns." Recently, the moves of the United States and China keeping each other in check have been attracting strong attention.

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 tariffs, on the grounds of China's unfair trade practices over many years. China has also responded with countermeasures such as the phased raising of tariffs. In January 2020, however, the United States and China reached the Phase 1 deal, which places China's expansion of import volumes from the United States as a

pillar. The deal came into force on February 14 of the same year. On the same day, the two countries also reduced some tariffs. The United States has also criticized the initiative of "Made-In China 2025," which exploits subsidies and other means for promoting China's high-technology industries, as representing unfair economic practices to unduly hurt U.S. and other economies.

Furthermore, the United States has indicated that the re-emergence of long-term strategic competition from revisionist powers including China 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.²⁰ 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 perception by the United States.

The United States has reiterated that the Japan-U.S. Security Treaty applies to the Senkaku 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 its strong protest against these stances. With regard to the issues over the South China Sea, the United States is concerned about such dimensions as obstruction to the freedom of navigation in sea lanes, restrictions on the activities of U.S. Forces, and the worsening security situation in the entire region. The United States has requested China to comply with international norms, and has repeatedly criticized China's unilateral and assertive actions. And the United States also implements the Freedom of Navigation Operation in the South China Sea and other waters to counter excessive claims to maritime interests by other countries such as China and calls for demilitarizing the South China Sea.

While embracing these differences, the United States and China apparently continued military exchanges in a relatively stable manner. As seen in China's response to the U.S. DoD's notification of arms sales to Taiwan to Congress, for example, China has recently indicated restrained responses to the

²⁰ According to "United States National Defense Strategy" (January 2018).

United States. In April 2008, a hotline between the defense authorities of the two countries was set up. 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 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 forces 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, including the “Diplomatic and Security Dialogue” and the “Joint Staff Dialogue Mechanism.”

However, there are movements which indicate changes in the military exchanges that have remained rather stable 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 U.S. Defense Authorization Act for FY2019, which includes a clause to prohibit the United States from inviting China to RIMPAC until the demilitarization of the South China Sea is achieved, was enacted. And the United States 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. Developments in U.S.-China relations will continue to require close monitoring with keen attention.

While the United States has mentioned the need for a framework including China to control missile forces, China denies its involvement.

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 Cooperation was concluded. In 2004, the long-standing issue of border demarcation between

the two countries came to a settlement. The two countries have a common view on promoting the multipolarization of the world and the establishment of a new international order and have further deepened their relations.

On the military front, since the 1990s, China has purchased modern weapons from Russia, including fighters, destroyers, and submarines. Russia is currently the largest supplier of weapons to China.²¹ Although China-Russia arms transactions in value in recent years have been lower than in some past period, China has apparently continued to indicate its strong interests in importing advanced Russian defense equipment and in joint equipment development with Russia. For example, China has introduced what are believed to be the latest fourth generation Su-35 fighters and the S-400 surface-to-air missile system from Russia. China has been reported as the first country to import the Russian S-400 missile system. At the same time, it is pointed out that Russia has differentiated the performance of some of the weapons it exports to China, due to its concerns about China’s reverse engineering and its policy of not providing China having a ground border with Russia with sophisticated weapons that would pose a threat to Russia. It is also suggested that Russia has concerns about competing with China in arms exports taking into consideration China’s improvement of technological power.

Military exchanges between China and Russia take place in such forms as routine mutual visits by senior military officers and bilateral and multilateral exercises. For example, China participated in the Vostok 2018 exercise, viewed as one of the largest Russian military exercises since the end of the Cold War, and in the Tsentr-2019 exercise. Additionally, the two countries have held the large-scale bilateral naval exercise “Joint Sea” since 2012. The annual exercise for 2016 took place in the South China for the first time, and that for 2017 was held in the Baltic Sea and Sea of Okhotsk for the first time. In 2016 and 2017, the two countries held the “Aerospace Security” missile defense computer-simulated exercise. Furthermore, China has held the counter-terrorism exercise “Peace Mission” between China and Russia or among the member countries of the Shanghai Cooperation Organization (SCO), established in June 2001 including Russia. China likely regards these exchanges as an opportunity to learn about how to operate Russian-made weapons and the operational doctrine of the Russian Armed

²¹ According to “Arms Transfers Database,” SIPRI

Forces, which have combat experiences.

In addition, moves indicating deepened China-Russia relations have been confirmed in recent years. In the two countries' "first joint strategic flight" of bombers in July 2019, their bombers joined in the Sea of Japan and flew to the East China Sea. In September 2019, China and Russia signed a series of documents on cooperation in the military and military technologies.²²

5 Relations with North Korea

China has kept close relations with North Korea under the 1961 Sino-North Korean Mutual Aid and Cooperation Friendship Treaty. Although Chinese and North Korean leaders' reciprocal visits have been viewed as decreasing since North Korea's transition to the Kim Jong-un regime, Xi Jinping in June 2019 became the first Chinese president to visit North Korea in 14 years and held his fifth meeting with Chairman Kim.

China has reportedly adopted three principles on the Korea Peninsula – (1) the denuclearization of the Korean Peninsula, (2) the maintenance of peace and stability on the Korean Peninsula, and (3) the resolution of problems through dialogue and consultations – indicating that China gives priority to the maintenance of stability and dialogue as well as the denuclearization. Under these principles, China, while agreeing to UN Security Council resolutions to enhance sanctions on North Korea, cooperated with Russia in distributing a draft resolution including a proposal to lift some of the UN sanctions at the council in December 2019.

Although China has vowed to have seriously observed its international obligations, it has been pointed out that Chinese ships have been involved in illegal ship-to-ship transfer that has been banned by the UN Security Council resolutions on North Korean sanctions.

6 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 actively carried out. China is also actively involved in multilateral frameworks such as ASEAN Plus One (China),

ASEAN Plus Three (Japan, China and the ROK), East Asia Summit (EAS) and ASEAN Regional Forum (ARF). Furthermore, China has developed bilateral relations through infrastructure development support, etc. under the BRI.

On the military front, there seems to be moves that China has made efforts toward military confidence building, such as the first ASEAN-China Maritime Field Training Exercise, which took place in October 2018. Recently, the PLA's attempt to secure an outpost for its activities in Cambodia has been reported, although the countries concerned denied this.

In July 2016, an arbitration award based on the United Nations Convention on the Law of the Sea (UNCLOS) adjudicating the Philippines' case against China in the South China Sea was rendered, accepting most of the Philippine claims. After that, the Philippines was said to have refrained from referring to the arbitration award because of China's substantial economic support and pressure. In September 2019, however, a Philippine Presidential Office spokesperson noted that the arbitration award was still a subject in bilateral talks. In April 2019, the Philippines announced a protest statement against China over massive Chinese fishing boats confirmed as near Thitu Island under effective Philippine control among the Spratly Islands.²³

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. Chinese and Vietnamese government ships staged a standoff over oil and natural gas drilling within Vietnam's exclusive economic zone from July 2019 until Vietnam withdrew its HAKRYU-5 drilling rig in October of that year to end the standoff.

Indonesia has had frequent disputes with China over Chinese fishing boats' operations within Indonesia's exclusive economic zone and taken strong actions including the explosion of foreign fishing boats engaging in alleged illegal operations. Recently, the Indonesian government filed a strong protest against Chinese fishing boats' illegal operations near Indonesia's Natuna Islands from December 2019 to January 2020, rejecting China's assertion on the nine-dash line anew.

China and ASEAN have continued talks to discuss the formulation of the Code of Conduct of Parties in the South

²² According to the Russian military newspaper Krasnaya Zvezda (the "Red Star") on September 6, 2019.

²³ According to the website of the Ministry of Foreign Affairs of the Philippines on April 4, 2019.

China Sea (COC) and Chinese Premier Li Keqiang announced in November 2018 that he hoped to complete negotiations within three years. In July 2019, China announced at the Chinese and ASEAN Foreign Ministers' meeting that they had completed the first reading of the Single Draft COC Negotiating Text.

(2) Relations with Central Asian Countries

The Xinjiang Uyghur Autonomous Region, located in the western part of China, is situated next to Central Asia. 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 tightened border control and its engagement in the SCO and the stabilization of Afghanistan. Moreover, China is strongly interested in Central Asia, with a view to diversifying its supply sources and procurement methods for 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 bilateral exercises, 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. China has also conducted various bilateral military exercises with Pakistan, including naval search and rescue training and anti-terrorism drills. The China-Pakistan Economic Corridor (CPEC), a China-supported development plan for power facilities and transportation infrastructure in the region stretching from the Port of Gwadar to Kashgar in the Xinjiang Uyghur Autonomous Region, is a flagship project of the BRI. While some have pointed out that the project has run into difficulties as indicated by delays and partial withdrawals due to Pakistan's deteriorating financial situation, the project's progress is expected to further increase

China's influence in Pakistan.

China and India have not demarcated their borders in areas such as Kashmir and Arunachal Pradesh. As China and Bhutan, which has close relations with India, have claimed territorial rights over the Doklam Plateau, Chinese and Indian military forces staged a standoff at the plateau from June to August 2017. On the other hand, it has been pointed out that China has recently striven to improve its relationship with India, while giving consideration to a balance between its relations with Pakistan and India. Because China identifies the relationship with India as a strategic partnership, the leaders of the two countries actively conduct mutual visits. In December 2018, China and India resumed their "Hand in Hand" bilateral anti-terrorism drill that had been suspended since the Doklam standoff. The background for progress in China's relations with India seems to include an emphasis on economic growth of the two countries and a response to closer U.S.-India relations.

In recent years, China has also been deepening its relations with Sri Lanka. Initially after taking office, President Maithripala Sirisena, who 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 have also been showing progress. In July 2017, an agreement was reached to lend interests to Chinese enterprises at the Port of Hambantota, which was 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 through its port development in Chittagong where a naval base is located, arms exports, and other deals.

(4) Relations with European Countries

For China, the European Union (EU) countries have become an important partner especially in the economic field.

European countries possess more advanced military technologies than China or Russia regarding information and communication technology, avionics/aeroengines, air independence propulsion (AIP) systems for submarines, and other areas. The EU countries have maintained their arms embargo on China since the Tiananmen Square incident in 1989 and China has requested them to lift the embargo.²⁴ If the EU arms embargo on China were lifted, sophisticated

²⁴ According to the policy paper on the EU released by China in December 2018.

military technologies could be transferred to China and to third countries via China, dramatically changing the security environment in the Indo-Pacific and other regions.

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.

China's recent rise has attracted attention from the NATO as well. The London declaration adopted at a NATO summit conference in December 2019 referred to China's growing influence as both "opportunities and challenges" and noted necessity to address China as an Alliance. After the summit, NATO Secretary General Jens Stoltenberg mentioned China's deployment of numerous intermediate-range missiles and noted that NATO was considering how China could be included in future arms control.

China's relations with European countries, including EU discussions on the arms embargo on China and NATO's China policy related to future arms control, should be continuously watched.

(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. In recent years, it has also strengthened military relations with them. Not only 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 suspect 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 and re-established relations with China, followed by Burkina Faso in May 2018.

Australia, while continuing to give priority to economic relations with China, is apparently concerned about China regarding the security area including the information and communications sector. A Chinese company's agreement with the Northern Territory Government of Australia to lease

Darwin Port has raised debates over security. China has also been boosting its relations with Pacific island countries by providing them with proactive and continuous economic support and medical services deploying a military hospital ship. China has promoted resources development in Papua New Guinea and signed an agreement with the island country on military cooperation. China has also been moving to enhance military relations with Vanuatu, Fiji, and Tonga. While China has been enhancing relations with Pacific island nations, Australia and some other countries have expressed concerns about such Chinese moves. In September 2019, the Solomon Islands and Kiribati severed diplomatic relations with Taiwan and established such relations with China.

China has been striving to further deepen its relations with Central and South American countries, holding ministerial meetings with the Community of Latin American and Caribbean States (CELAC) since 2015. In the military field, China has dispatched senior officials and sold arms to these countries and enhanced relations with them in medical services, counterterrorism and other areas. In Argentina, China operates an outer space observation facility. In June 2017, Panama severed diplomatic relations with Taiwan and established such relations with China, followed by the Dominican Republic in May 2018 and by El Salvador in August 2018.

7 International Transfer of Weapons

China's arms exports have surpassed imports since 2013. China has been expanding exports of weapons such as small arms, tanks, aircraft including drones, and ships. China's major arms export destinations include Pakistan, Bangladesh and Myanmar. China has also been reportedly exporting arms to Algeria, Tanzania, Nigeria, Sudan, and other African countries, Venezuela and other Latin American countries, and Iran, Saudi Arabia, and other Middle Eastern countries. Recently, Serbia has been reported likely to become the first European country to introduce Chinese UAVs. Some claim that China has transferred weapons to foreign countries in order to strengthen its strategic relationships with friendly nations, enhance its influence in the international community, and secure natural resources. China has not participated in some of the frameworks for international arms export control, and some point out that missile-related and other technologies have been transferred from China to 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 a domestic one. China maintains that the “One China” principle is the underlying premise and foundation for dialogue between China and Taiwan. Taiwanese President Tsai Ing-wen from the Democratic Progressive Party, who took office in 2016, has noted that she has never accepted the “1992 Consensus” that China claims as embodying the “One-China” principle.²⁵ In response, China has criticized the Democratic Progressive Party for destroying the political foundation of the peaceful development of cross-Straits relations by rejecting the “1992 Consensus” unilaterally, emphasizing that the maintenance of the “1992 Consensus” would be the unshakable foundation for peace and stability of cross-Straits relations. China is strongly opposed to any foreign intervention in the unification of China as well as any move towards the independence of Taiwan and has repeatedly stated that it has not renounced the use of force. “The Anti-Secession Law,” enacted in March 2005, clearly lays out China’s policy of not renouncing the use of force, providing that in the event that the “Taiwan independence” secessionist forces (those seeking Taiwan’s independence) should act under any name or by any means to cause the fact of Taiwan’s secession from China 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.

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, stating “the specific form of the ‘one country, two systems’ model in Taiwan will give full consideration to the situation in Taiwan.” In her immediate response to the speech, President Tsai issued a statement firmly rejecting the “one country,

two systems” model and called for negotiations between “government-authorized agencies.” After winning reelection with the highest ever number of votes in a Taiwanese presidential election in January 2020, President Tsai told a press conference the election results represented the value of Taiwanese people and rejected the “one country, two systems” model. In a manner to check the Taiwanese side, China noted that regardless of how the Taiwanese situation changed, there would be no change to the basic fact that there is only one China in the world, with Taiwan being a part of China.

Since around the inauguration of President Tsai for her first term, Taiwanese delegates were refused attendance at or had their invitations deferred from meetings held by international organizations, including ones in which they had participated up to that point.²⁶ As the Solomon Islands and Kiribati severed diplomatic relations with Taiwan and established such relations with China in September 2019, the number of countries having diplomatic relations with Taiwan declined to 15 from 22 in May 2016, when President Tsai took office. Taiwan is strongly protesting these actions, claiming them to be “actions taken by China that compress the international space of Taiwan.”

Both China and Taiwan have put forth their own assertions regarding the Senkaku Islands, but Taiwan has a negative attitude toward cooperating with China.²⁷

2 Military Capabilities of Taiwan

Under President Tsai Ing-wen, Taiwan has put forth visions such as the military strategy of “resolute defense and multidomain deterrence,” the overall defense concept of “force protection, decisive battle in littoral zone, and destruction of enemy at landing beach,” and the “strengthening of information, communications, and electronic operational capabilities.” The Taiwan National Defense Report 2019, released in September 2019 as the second such report under

²⁵ The “1992 Consensus” is referred to what represents a common understanding reached between Chinese and Taiwanese authorities in 1992 on the “One-China” principle. The CCP and Taiwan’s Kuomintang Nationalist Party (Taiwan’s ruling party at the time), viewed as parties to the consensus, have reportedly differed over the interpretation of the consensus. Taiwan’s Democratic Progressive Party has clarified that it has not accepted the “1992 Consensus.”

²⁶ According to the website of the Ministry of Foreign Affairs of Taiwan on September 24, 2019.

²⁷ According to the website of the Ministry of Foreign Affairs of Taiwan on February 8, 2013.

President Tsai, followed these visions and clarified Taiwan as an important security partner to the United States in the Indo-Pacific region. The United States has made decisions to sell arms to Taiwan under the Taiwan Relations Act. Since President Trump took office in 2017, six such decisions have been made. In 2019, the president notified Congress of its plan to sell such weapons as 66 F-16C/D Block 70 fighters to Taiwan, the first U.S. fighter sales to Taiwan in the 27 years since 1992.

Aside from the purchases from the United States, Taiwan is moving forward with its own development of defense 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 the 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. The National Defense Report 2019 set forth a target of delivering a prototype of an indigenous submarine by 2025.

Taiwan adopted conscription in 1951, but it has been switching to a volunteer system mainly to improve the expertise of its military personnel, and the last of the conscripts were enlisted by 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



Taiwanese President Tsai Ing-wen and Director Brent Christensen, American Institute in Taiwan
[AIT]

and volunteers.²⁸

With regard to Taiwan's military power, at present, ground forces, including the Navy Marine Corps, have a total of approximately 93,000 personnel. In addition, it is assessed 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 and C/D) fighters, Mirage 2000 fighters, Ching-kuo fighters, and other assets.

3 Military Balance between China and Taiwan

While China has continued to increase its defense budget by a significant margin, Taiwan's defense budget, at 351.2 billion Taiwan dollars for FY2020, has remained almost unchanged for nearly 20 years. China's announced military budget in FY2020 totals 1,268 billion yuan, roughly 16 times the amount of Taiwan's in terms of U.S. dollars based on exchange rates announced by the Taiwanese Central Bank. It is pointed out that China's actual defense expenditure has been larger than the published defense budget, indicating that the China-Taiwan defense expenditure gap could be greater. Amid this situation, President Tsai has ordered an increase in Taiwan's defense budget.²⁹

In the National Defense Report 2019, Taiwan acknowledges that China is capable of conducting joint landing operations to take over Taiwan's offshore islands, or early warning on the western side of the second island

Corvette “Tuo Chiang”

Specifications, performance

Full-load displacement: 567 tons
Speed: 43 knots (approximately 80 km/h)
Main armament: Ship-to-ship missiles (maximum range 200 km), torpedoes.



【Website of the Taiwan Military News Agency】

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.

²⁸ According to the website of the Ministry of Foreign Affairs of Taiwan on December 17, 2018.

²⁹ According to the website of the Ministry of Foreign Affairs of Taiwan on March 31, 2019.

Column

Changing Military Balance between China and Taiwan

As for the military balance between the Taiwanese forces and the People's Liberation Army (PLA), which face off across the Taiwan Strait, the Taiwanese forces were previously said to possess military superiority in accordance with Taiwan's superiority in such areas as technological prowess. However, the military balance is considered to have been changing in recent years. China has continuously increased its national defense spending at a high pace against the backdrop of its rapid economic growth in recent years, and based on that, it has rapidly and extensively strengthened its military power in terms of quality and quantity. As a result, since the 2000s, the military balance between the PLA and Taiwan has changed in favor of the PLA on the whole, with its lead widening year after year as a trend. For example, "Annual Report to Congress—Military and Security Developments Involving the People's Republic of China 2019 (May 2019)," published by the U.S. Department of Defense, offered an analysis indicating that in addition to naval and air powers vastly numerically superior to those of Taiwan, the PLA possesses a missile arsenal including 750 to 1,500 short-range missiles, whose range is presumed to cover all or parts of Taiwan.

Under these circumstances, Taiwan is also making efforts to strengthen its self-defense capability while increasing its national defense spending. However, as Taiwan apparently recognizes a gap with China in terms of deployable resources, it intends to develop the "asymmetric" warfare concept and capabilities. It has been pointed out that as part of those efforts, Taiwan is strengthening offensive and defensive electronic warfare capability and capabilities to promptly deploy and sweep mines, and is introducing high-speed stealth vessels.

Meanwhile, the United States, an important actor in the military balance between China and Taiwan, has opposed any unilateral actions intended to change the status quo over the Taiwan Strait, and based on this policy, it has provided hardware (including equipment) and software (including training) under the Taiwan Relations Act, enacted in 1979, in order to help



The Taiwan military's F-16 fighter
(May 2019; Joint Military Exercise "Han Kuang 35 Exercise") 【AFP/Jiji】

Chapter
2

Defense Policies of Countries

Taiwan maintain sufficient self-defense capability. In August 2019, the U.S. government notified Congress of a plan to sell weapons (including F-16C/D Block 70 fighter aircraft) to Taiwan, the fifth sale of weapons to Taiwan under the Trump administration. This sale is expected to be the largest U.S. sale of weapons to Taiwan. In particular, the sale of fighter aircraft will be the first in 27 years since 1992. In addition, in December 2018, the Asia Reassurance Initiative Act, which includes a clause calling for the U.S. government to periodically sell weapons to Taiwan, was enacted, indicating that interest in efforts to maintain Taiwan's self-defense capability is growing in the United States, including in Congress. These trends in the United States are attracting attention as an example of the country's strengthening of its commitment to the Indo-Pacific region.

In one view, the "status quo" is being maintained in that the "political discord" continues to exist between the two sides facing off across the Taiwan Strait. From a different point of view, it is also said that the "status quo" is already changing due to historic developments over the Taiwan Strait situation occurring in the form of the abovementioned changes in the military balance. In this situation, future developments are due attention.

chain, and of implementing air and maritime blockades in the vicinity of the Taiwan Strait. It also recognizes that China is drastically tilting the cross-Taiwan Strait military balance to its favor, "posing a serious threat to our (Taiwan's) national defense and security." In March 2019, Chinese fighters reportedly crossed the middle line of the Taiwan Strait for the first time since 2011. Chinese aircraft flights across the middle line were also seen in February 2020.

While the PLA proceeds to expand its missile, naval, and air forces, the Taiwan military is struggling in the modernization of 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, its capability of landing and invading the island of Taiwan is limited at present. In

recent years, however, China has been steadily improving its landing and invasion capabilities by building large amphibious ships.

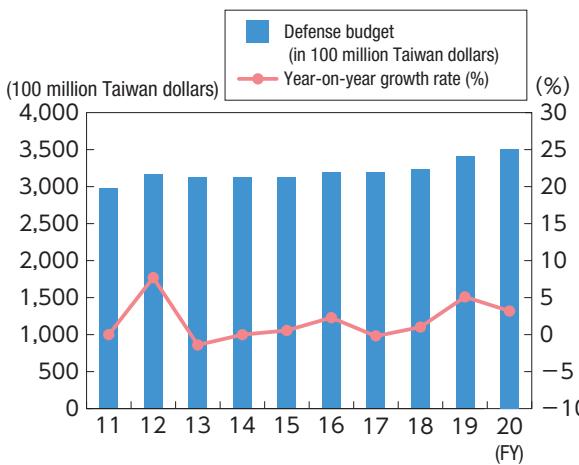
- (2) Regarding naval and air forces, China, which overwhelms Taiwan in terms of quantity, has also been rapidly strengthening its naval and air forces in recent years in terms of quality, where Taiwan used to have superiority over China. In this situation, Taiwan focuses on developing asymmetric forces including stealth corvettes.
- (3) Regarding missile attack capabilities, Taiwan has been strengthening its ballistic missile defense, upgrading the PAC-2 to the PAC-3 and introducing the 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 troop strength and the performance and quantity of equipment but also on various other factors such as the purpose and aspects of assumed military operations, operational arrangements, the skill level of personnel, and logistics. Nevertheless, the overall military balance between China and Taiwan is tilting to China's favor, and the gap appears to be growing year by year. Going forward, attention needs 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 own development of its main military equipment.

Q See Fig. I-2-2-16 (Changes in Taiwan's Ministry of National Defense Budget)

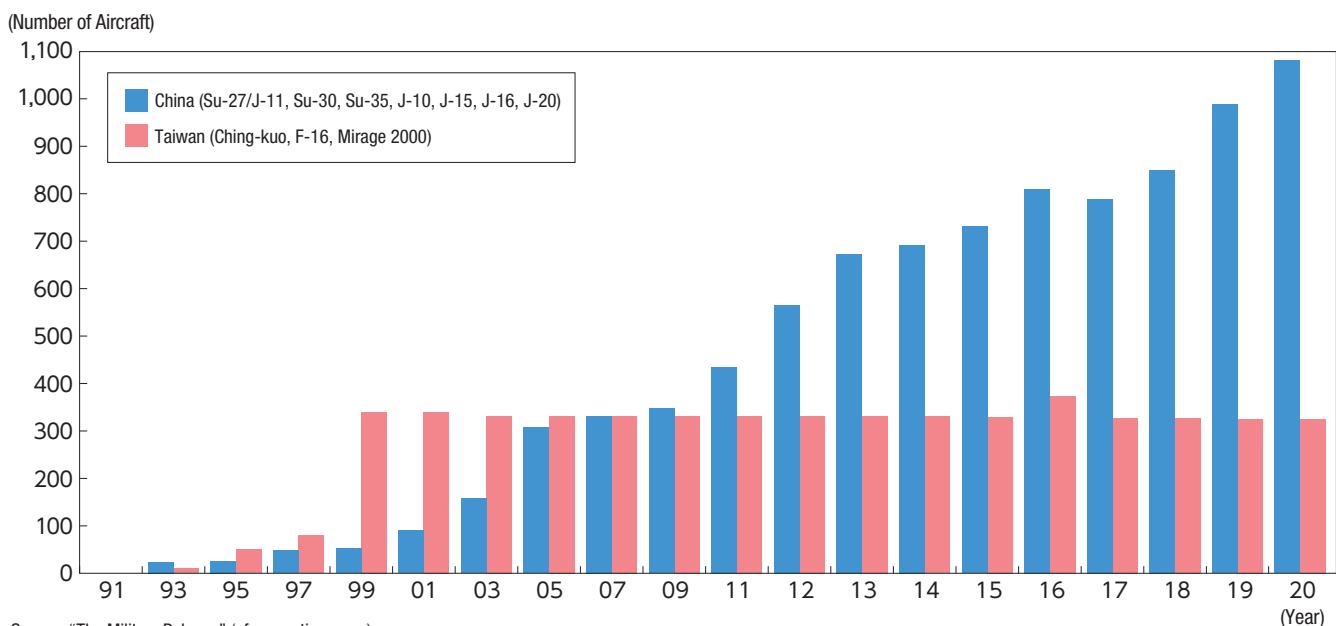
Fig. I-2-2-17 (Changes in the Number of Modern Fighter Aircraft of China and Taiwan)

Fig. I-2-2-16 Changes in Taiwan's Ministry of National Defense Budget



Source: the website of the Directorate-General of Budget,
Accounting and Statistics, Executive Yuan

Fig. I-2-2-17 Changes in the Number of Modern Fighter Aircraft of China and Taiwan



Source: "The Military Balance" (of respective years)