

Bimonthly  
Newsletter

# EAST ASIA MILITARY MONITOR

VOLUME 1 | ISSUE 2 | SEPTEMBER-OCTOBER 2018



INSTITUTE FOR DEFENCE STUDIES AND ANALYSES

No. 1, Development Enclave,

Rao Tula Ram Marg, New Delhi - 110010

# **EAST ASIA MILITARY MONITOR**

**Volume 1 Issue 2 September-October 2018**

**Editor**

**Atmaja Gohain Baruah**

# CONTENTS

---

EDITOR'S NOTE .....	4
EXPERT COMMENTARY	
NORTH KOREA AND INTERNATIONAL SECURITY OR INSECURITY? .....	5
<i>Dr Raviprasad Narayanan</i>	
MAPPING EAST ASIA	
CHINA .....	7
JAPAN .....	11
KOREAN PENINSULA .....	14
PERSPECTIVE ON THE REGION	
CHINESE PRESIDENT XI JINPING ATTENDS THE EASTERN ECONOMIC FORUM 2018.....	17
<i>Nivedita Kapoor</i>	
MADE IN CHINA 2025: BEIJING'S PURSUIT FOR FULL-SPECTRUM TECHNOLOGICAL DOMINANCE .....	19
<i>Jyotishman Bhagwati</i>	
IS INDO-PACIFIC A HOTBED FOR STRATEGIC RIVALRY BETWEEN CHINA AND THE US? .....	22
<i>Mrittika Guba Sarkar</i>	

# EDITOR'S NOTE

---

Tensions are peaking in the Indo-Pacific. China and the United States (US) are not just embroiled in a major trade war, but are changing the strategic landscape of the region as well. While China is strengthening ties with Russia and Pakistan - exhibited by Russia-China-Mongolia military exercise 'Vostok' and China-Pakistan joint drone manufacturing - the US is again using Taiwan as a bargaining chip against China. According to the 2019 U.S. National Defense Authorization Act, there are clauses to expand joint military drills and high-level military exchanges with Taiwan to boost its force readiness and arms capability.

East Asia is also experiencing a new ripple of military budget increases. Japan's defence budget has witnessed an increase of 2.1% for the fiscal year 2019 standing at US\$ 47.8 billion. Focusing on strengthening ties with the Quad and the ASEAN countries, Japan has bought two Aegis Ashore land-based anti-ballistic missile defense systems and six advanced F-35A fighters. China has also developed a new-generation stealth bomber Hong-20 and tested three new Hypersonic Aircrafts. This surge of defence expenditure reflects the underlying vulnerability of the countries in the region, and the proclivity to secure stronger regional security. While it is neither leading to a cold war situation, nor an arms race, it certainly signifies an attempt to avoid flashpoints and deal proactively. This longstanding insecurity stems from China intently pursuing a great-power status, even if that complicates its relationships with its neighbours.

An important breakthrough came in East Asia with the Democratic People's Republic of Korea signing the Pyongyang Joint Declaration with the Republic of Korea at an inter-Korean summit on 19th September. While it is intended to negate tensions in the region with the denuclearization of the Korean Peninsula, not all countries are as optimistic about its outcome as South Korea and China. For instance, according to reports, the US refused to ease the United Nations (UN) economic sanctions on North Korea despite the new developments. According to the US, it might be premature to relax all sanctions until North Korea has completely denuclearized. China on the other hand, has been easing sanctions since March 2018, by allowing North Korean coal shipments at its Longkou port, reviving construction projects and allowing planes to ferry Chinese people to Pyongyang.

It is not only the issue of North Korea straining the relationship between China and the US. The trade war is not anywhere near slowing down and if misdirected, these tensions could lead to greater contention between the two. Amidst all of these, India can be seen walking a tightrope - while enjoying the membership of the Shanghai Cooperation Organisation (SCO), it is also developing areas of cooperation with the Quadrilateral (Quad) alliance. Keeping one foot in the Indo-Pacific and another in Eurasia, the end of this year is expected to bring more openings for India to manoeuvre its foreign affairs.

We look forward to comments and suggestions from our readers.

Atmaja Gohain Baruah

# EXPERT COMMENTARY

## NORTH KOREA AND INTERNATIONAL SECURITY OR INSECURITY?



**RAVIPRASAD NARAYANAN**

*Associate Professor  
Centre for East Asian Studies, School of International Studies  
Jawaharlal Nehru University*

International relations have always been in flux owing to several reasons. First comes the role of ideology with a strong emphasis on nationalism, second is the role played by individuals in announcing their centrality to events having an impact on regional and global geo-politics, third is the episodic nature of a state's behaviour largely influenced by the first two propositions and fourth is the shift in power politics in international security with a retreating United States yielding strategic space to an ever growing China - economically and geopolitically.

This opinion argues that North Korea epitomises all the above reasons but the final one. With a behavioural pattern of constant irrationality and unpredictability, recent developments on the Korean peninsula have provided a welcome respite from the "known knowns, known unknowns and unknown unknowns" popularised by Donald Rumsfeld, a former Secretary of State of the United States during the Iraq war in 2002. As a behavioural trait, the practical and the irrational are to be found on the Korean peninsula with South Korea being the rational actor while North Korea, for long the unpredictable one. With the Kim Il Sung legacy continuing in North Korea and Kim Jong Un, the young third generation leader of North Korea representing a Stalinist dynasty ostensibly communist, the easing of security issues on the Korean peninsula deserves our attention.

By constantly reiterating a continuity of being "different", security on the peninsula is going through a phase of active engagement where ballistic rhetoric - polemics verbal and the launch of projectiles - has given way to diplomacy. Encouraging developments on the Korean peninsula are welcome for defusing tensions and putting an end to a strange sense of unpredictability and morbidity in the region owing to North Korea and its belligerence.

As the year comes to a close, 2018 has revealed a new welcome ordinary on the Korean peninsula to much relief all around. Panmunjom, a symbol of the Korean War and a potent reminder of the ideological divides as also the economic gulf on both sides became the venue for bilateral talks since January this year. This development comes after tensions in 2017 when conflict was seemingly inevitable. In February, ministerial level talks led to both the countries spreading relief and symbolising bonhomie by marching together at the winter Olympics in Pyeongchang under a unified flag. In March, a meeting with diplomatic representatives from South Korea laid the ground for a summit in April.

In his first official visit to China between 25-28 March, Kim Jong Un met Xi Jinping. This visit was quickly followed by an announcement by both the sides to hold a high level summit on 27 April at Panmunjom. April also saw the two sides establishing a hotline between the leaders of the two sides having a direct link bypassing diplomatic servitors on both sides. April further witnessed a 'secret visit' made by Mike Pompeo, the Director of CIA to Pyongyang as special envoy of the US President. Mike Pompeo is now Secretary of State. The 'bromance' between Donald Trump, President of the United States and Kim Jong Un is an interesting sidelight to positive events on the Korean peninsula. In the same month, by suspending its nuclear tests and stopping long range missile tests, North Korea gave the region reason to welcome a phase of optimism.

---

27 April and 26 May witnessed two inter-Korean summits with Moon Jae-In, President of South Korea meeting Kim Jong Un. The summit of 27 April was laudable for the 'Panmunjeom Declaration for Peace, Prosperity and Unification of the Korean Peninsula' a bilateral initiative outlining an eventual reunification of the north and south where the Korean people would decide and not outside powers. The Panmunjeom Declaration called for divided families to meet, ending propaganda broadcasts on the borders and the need to improve communications along the border to avoid unpleasant incidents. Continuing the positive momentum, the Armistice Agreement of six and half decades ago is to evolve into a peace treaty ending the Korean War after 65 years. Talk of denuclearising of the peninsula did not include any forswearing of the nuclear option. A complication arises when the nuclear issue on the peninsula gets clouded by the revelation that the International Atomic Energy Agency (IAEA) had named South Korea for having conducted research on fissile material.

Continuing the spirit of 2018 as being the year of difference, Kim Jong Un encouraged this phase of relative optimism by meeting Donald Trump at Capella Hotel in Singapore on 12th June. That meeting doused decades long tensions between the two countries.

What is not mentioned is the role played by Beijing in encouraging the positive developments on the Korean peninsula. Kim Jong Un's visit to Beijing and meeting Xi Jinping is an indicator of China's quiet role in promoting Seoul-Pyongyang relations as it enhances China's security. Beijing takes the effort to announce its staid but effective management of international security issues unlike Washington these days. China's emergence as a responsible international power, is motivated by Beijing's need for a tranquil neighbourhood and the absence of instability. Any irrational behaviour on the part of North Korea affects China the most. By displaying its intent to be the flag bearer of 'democratic norms' in international relations, create multilateral initiatives with strong economic foundations and play the role of mediator and conciliator to intractable security issues, Beijing is quietly advancing its version of international security with Chinese characteristics. If the United States and the European Union are subscribers and upholders to an international security order where a strong legalist approach is displayed through multilateral initiatives, Beijing underplays security issues by adopting an approach very understated yet powerful enough to make the unpredictable behave in a rational manner. As the emerging new axis to the region in economic and security terms, Beijing's centrality has only commenced - a determinant becoming more central every passing year.

# MAPPING EAST ASIA

## CHINA

### Shanghai Cooperation Organisation (SCO) joint military exercise 2018.

From 24-29 August, 2018, the 5th edition of the Shanghai Cooperation Organisation (SCO) “Peace Mission 2018” joint military exercise was held at Chebarkul, Russia. It was centred around undertaking counter-terrorist operations in a multinational joint service environment. More than 3000 soldiers from China, India, Kazakhstan, Kyrgyzstan, Pakistan, Russia, Tajikistan and Uzbekistan participated in the exercise.

As for the details of the present round, “the participating troops were organized into combat clusters for joint operations” and had “six steps, namely, reconnaissance, blockade and control, air landing, resistance, suppression, and pursuit and attack.” The exercise aimed at testing “joint planning, command, combat and supply capabilities” of the participating militaries. As per the media, “more than 3,000 troops from the army, navy, and new types of combat forces, equipped with nearly 500 weapons” participated in the “Peace Mission 2018”.<sup>1</sup> It should be noted that India, who became the full member in the SOC last year in June 2017, participated in this exercise for the first time.<sup>2</sup> Likewise, Pakistan, another recent entry into the organisation as a full member, also participated in the event.<sup>3</sup>

Commenting on this, the Chinese official spokesperson stated, “China welcomes the joint participation of Pakistan and India in anti-terror exercise under the SCO framework.” He went on further to say that “both Pakistan and India are important countries in South Asia. A stable Pakistan-India relationship is of great significance to the peace and stability of the region and the peace and development of the world”.

### The Vostok 2018: Russian largest ever military exercise since cold war

From 11-17 September, 2018, Russia conducted its largest military exercise in history called ‘Vostok -2018’, involving China and Mongolia. According to the report by the Russian Defence Ministry, about 30,000 Russian troops, over 1000 aircrafts, helicopters and unmanned aerial vehicles up to 36,000 tanks, armoured personal carriers, ships and other supply vessels took part in the drills.

The bilateral relation between Russia and China is marked by antagonism in several key areas, including their failure to reach a Free Trade Agreement in Central Asia and China countering Russia during Ukraine and Georgian crises. However, with this military exercise, the relations between the two have seem to have been enhanced. Describing the outcome, Ren Guoqiang, the spokesman for China Ministry of National Defence stated, “The armies of China and Russian carried out a joint field exercise, learnt from each other and developed friendship and mutual confidence in joint combat activities.”

Due to growing hostility between the North Atlantic Treaty Organization (NATO) states and Russia, particularly from the past few years, NATO experts have shared certain pessimistic views on the conduct of Russia’s military

---

<sup>1</sup> “Peace Mission 2018” Joint Anti-Terrorism Military Exercise Kicks off in Russia,” *ChinaMil*, August 31, 2018, at [http://english.chinamil.com.cn/view/2018-08/31/content\\_9268816.htm](http://english.chinamil.com.cn/view/2018-08/31/content_9268816.htm) (accessed 24 October 2018).

<sup>2</sup> “Curtain Raiser: Exercise SCO Peace Mission 2018”, *Press Information Bureau, Government of India*, August 10, 2018, at <http://pib.nic.in/newsite/PrintRelease.aspx?relid=181800> (accessed 24 October 2018).

<sup>3</sup> “India and Pakistan Take Part for the First Time in SCO Military Drill,” *The Economic Times*, 23 August 2018, at <https://economictimes.indiatimes.com/news/defence/india-and-pakistan-take-part-for-the-first-time-in-sco-military-drill/articleshow/65514176.cms> (accessed 24 October 2018).



---

exercises. However, Russian Foreign Ministry Spokesperson, Ms. Maria Zakharova has clarified that “in the spirit of transparency and predictability, well in advance, as early in May this year Russia informed the North Atlantic Alliance member countries about this event at a meeting of Russia-NATO Council.” Meanwhile, against the wide speculation of Chinese participation in Vostok 2018, Chinadaily editorial writes, “the suspicions and concerns surrounding the upcoming Russia-China-Mongolia military exercise stem from the Cold War mentality in the West and display a double standard: The frequent war games conducted by the United States and its allies around the world are well received and even lauded as a show of solidarity, while those that China and non-Western countries participate in are viewed with suspicion.”

### **China-Pakistan joint drones manufacturing**

China and Pakistan have agreed to jointly manufacture an advanced Chinese drone, Wing Loong II. Total of 48 unmanned aerial vehicles will be built by Chengdu Aircraft Corp, a unit of Aviation Industry Corp of China (AVIC), and Pakistan Aeronautical Complex (PAC) Karma, according to a social media post by the Pakistan Air Force’s Sherdils aerobatic team. Wing Loong II is a high-end reconnaissance and strike multi-role endurance unmanned aircraft system; Pakistan will be the first country to get this technologically advanced drone. Chinese drones (Caihong) are already in service with Saudi Arabia and Iraq. Wing Loong II, being reconnaissance, surveillance and strike drone UCAV (unarmed combat aerial vehicle), its induction into Pakistan military is likely to boost its capabilities, changing the India-Pakistan military equation.

It is pertinent to underscore the China-Pakistan all weather friendship, where China has consistently supported Pakistan both militarily and economically. It has extended support towards the development of Pakistan’s military hardware (missiles, aircrafts, and nuclear program) and infrastructure by investing USD 60 billion under the China Pakistan Economic Corridor (CPEC) and through joint military exercises. Even after the FATF (Financial Action Task Force) placed Pakistan in the grey list for its continued support to terrorism China extended a loan of USD one billion. Joint manufacturing of drones is another major step towards enhancing their strategic partnership which may witness even greater cooperation in future.

Several Indian experts have shared their view on how India needs to be more careful of China selling its drones to Pakistan. Lt. Gen. (Retd.) Vinod Bhatia argued, “The Pakistan side could use these for detecting gaps along our countermeasures”. Meanwhile, Air Marshal M Matheswaran, former Deputy Chief of Integrated Defence Staff (DCIDS) stated that Pakistan Air Force “will get a boost to its ISR capability. Pak will also get the technology to manufacture it.”

### **New armour material boosts attack helicopters capability**

China has developed armour material for its attack helicopters. This is likely to be made of new material graphene, which is light and strong. The Z-10 attack helicopters once equipped with this armour is likely to boost survivability in the battlefield. The attack choppers due its employment remain vulnerable to adversary’s air defence system, this new armour protection can be a game changer. Beijing based military experts Wei Dongxu, told the Global Times, that these helicopters, including Z-10, did not have extra armour, initially as their engines could only lift a certain weight, which restricted the payload, hence the quantity of armament which could be fitted.

### **China Reveals Hong-20, New-Gen Stealth Bomber Program**

China has revealed a new-generation stealth bomber Hong-20, whose flight trials may take place soon, state-owned Global Times newspaper reported. The Hong-20 official unveiling is likely to be slated for next month’s



Zhuhai Air show. Though, details of the aircraft are not known, however it is likely to have longer range than existing stealth aircraft undergoing testing or in service of the Chinese Air Force. The new stealth bomber will complement the Shenyang J-31 Stealth Fighter which was first publicly flown in 2016 and the single-seat, multirole stealth fighter aircraft, the Chengdu J-20 manufactured by Chengdu Aircraft Industry Group (CAIG). China's Hong-20 bomber has been under development at the Shanghai Aircraft Design and Research Institute since 2008. The new generation of bombers can carry more bombs than previous H-6K bombers, besides having the advantage of stealth features and are able to strike targets from standoff ranges. The Hong-20 could improve both defensive and offensive air force capabilities and "enable the army to possess stronger nuclear and conventional deterrence".



### **China tests three new Hypersonic Aircrafts**

On 21 September 2018, China tested three aerial vehicles capable of achieving hypersonic speed. As per China's national television, three scaled models of D18-1S, D18-2S and D18-3S aircrafts were released after the successful experiment at the Jiuquan Satellite Launch Center, Northwest China's Gansu Province. According to footage released by CCTV, one of the test aircrafts had single vertical tail, another had two vertical tails, while the third had a single wing attached above its body. Having three prototypes with different aerodynamic designs would allow researchers to compare, helping them understand how different aerodynamic designs affect hypersonic flight vehicle's speed, stability and manoeuvrability. Such hypersonic vehicles would have immense potential to boost up the civil aviation and logistics, besides having tremendous application in the strategic dimensions, as per Global Times. Hypersonic aircraft technology still faces daunting challenges in the field of aerodynamic and development design, material and engine. The research and development of such technologies are extremely draining financially. Boeing is also currently working towards the development of hypersonic passenger plane that is capable of a wide range of speed, the US-based media Popular Mechanics reported. Other countries are also developing similar weapons; the US Air Force is experimenting with Boeing's Mach 6-capable X-51A Waverider. This technological breakthrough by China would fillip its development of anti-ballistic/ cruise missile defence.

### **Quantum Radar technology to counter stealth**

A cutting-edge quantum radar has been designed and built by Nanjing Research Institute of Electronics Technology in Jiangsu province, China's major state-owned defense contractor. As per known military experts, the radar once fully operational will be able to detect and track targets, especially stealth aircrafts at ranges more than 100 kilometres. This radar is still undergoing trials, and is just a prototype and more of a technological demonstration. The final version is likely to have even better anti-stealth properties. Quantum radars compared to conventional radars, have greater reliability, accuracy and viability, coupled with higher mobility and the ability to overcome the shortcomings of the existing radars in terms of handling stealth targets and surviving enemy countermeasures. Traditional military radar works on the principle of transmitting radio waves to detect targets, however these are susceptible to jamming. Most existing radar systems cannot detect stealth aircraft because such planes are made of radar-absorbent materials and have "stealthy" aerodynamic designs. By comparison, quantum radars transmit subatomic particles, instead of radio waves, when these are scanning for targets, and hence, are not affected by radar-absorbent materials and low-signature designs. Additionally, quantum radars are not affected by radar-jamming tactics. In addition to these advantages, quantum radars hold tremendous application in the field of

---

missile defence and space exploration. Development of quantum technology would revolutionise radar arsenals and China understands that perfectly – it has been dedicating considerable amount of resources towards its fast development.

### **Xi Jinping's military reform to end its paid services**

Separating military from its non-military commercial or social activities, a legacy of the revolutionary and later the Maoist period in the PRC, has been an important task in military reforms in China. Xi Jinping's stress on abolishing all paid services Chinese military provides is the part of this task. The media reported that Xi Jinping, general secretary of the Communist Party of China (CPC) Central Committee, called for "resolute efforts to terminate all paid services provided by the armed forces." He issued this call during "a group study session of the Political Bureau of the CPC Central Committee on this issue." The People's Daily informs, "Military's paid services generally refer to those provided by the armed forces such as kindergarten education, publishing services, and real estate rentals to the civilian sector." Xi clarified that "the implementation [of this proposal] allows no exception, discount or makeshift compromise. This move, which is "an important part" in military reforms, is expected to "create a sound environment for building a strong military in the new era."<sup>4</sup>

### **Capability Enhancement**

China recently conducted the second sea trial of its first "domestically designed aircraft carrier" "to mainly verify the carrier's communication, navigation and other electronic and mechanical instruments." The aircraft carrier was sent for the trial from Dalian shipyard in Liaoning province, without any "aircraft or other large equipment." In the earlier trial, "the reliability and performance of its propulsion systems" was evaluated. The second trial also determined "modifications and improvements" following the first trial. The construction work on this aircraft carrier commenced in November 2013. It will still undergo many more sea trials before handing over to the PLA Navy (PLAN) for its use. It has around 50,000 metric tons of water displacement capacity, with "conventional propulsion systems". It will host J-15 fighter jets, considered to be "the spearhead of a Chinese carrier battle group, similar to the Liaoning." The ship will also carry several types of helicopters. At present, the PLAN has one aircraft carrier, called the CNS Liaoning. Liaoning qualified 10 sea trials starting between August 2011 and September 2012 when it was commissioned.<sup>5</sup>

In a slightly dated news, Chinas Poly Technologies presented its anti-drone laser weapon Silent Hunter, informed to be for "empowering counter-terrorism efforts", at V International Exhibition of Weapons Systems and Military Equipment (KADEX 2018) on May 23-26 May 2018 in Kazakhstan. The media reported that this tactical laser weapon attracted huge attention "from police and military customers" at the exhibition. The weapon, presented as useful for both "by police for counter-terrorism or by the military for air defense," is capable of intercepting "low-altitude, slow-speed and small aerial targets including drones" with "strong anti-jamming capability, high accuracy and low cost." Song Zhongping, an expert on military affairs, explained these technicalities to the media.<sup>6</sup>

---

<sup>4</sup> "Xi Requires Resolute Ending of Military's Paid Services", *People's Daily*, 1 August 2018, at <http://en.people.cn/n3/2018/0801/c90000-9486512.html> (Accessed 24 October 2018).

<sup>5</sup> "New Carrier Sets Out on Second Sea Trial", *People's Daily*, 27 August 2018, at <http://en.people.cn/n3/2018/0827/c90000-9494383.html> (Accessed 24 October 2018).

<sup>6</sup> "China's Anti-Drone Laser Weapon could Aid Counter-Terrorism," *ChinaMil*, 30 May 2018, at [http://eng.chinamil.com.cn/view/2018-05/30/content\\_8045266.htm](http://eng.chinamil.com.cn/view/2018-05/30/content_8045266.htm) (Accessed 24 October 2018).

---

## Taiwan between China and US

Reacting to a U.S. Navy research vessel docking at Kaohsiung port in Taiwan “to refuel and make crew changes”, China issued a strong response that “the Chinese mainland resolutely opposes official contacts and military links in any form between the United States and Taiwan.” The Taiwan Affairs Office (TAO), spokesperson Ma Xiaoguang “warned the parties concerned to be discreet in deed and avoid undermining peace and stability across the Taiwan Strait. . . The Taiwan issue bears on China’s sovereignty, territorial integrity and core interests, and we have firmly resolved to safeguard state sovereignty and territorial integrity.”<sup>7</sup> It should be noted that since the Democratic Progressive Party (DPP), whom Mainland China accuses of being pro-independence, came to power in Taiwan, strategic situation in cross-strait relations has deteriorated drastically. Government level formal talks and contacts stand suspended as a consequence of the Mainland’s displeasure against the DPP government not upholding the 1992 Consensus i.e. the One China Principle. In this backdrop, US’s legally non-binding yet a substantial political commitment for Taiwan’s defence against the Mainland’s use of force to achieve cross-strait unification has come into discussion yet again. Many low scale yet important gestures in support of Taiwan, similar to as this, have been reported. Thus, strategic situation in Taiwan Strait needs to be carefully monitored.

## JAPAN

### Ministry of Defence released the 2018 White Paper

Former Defence Minister Onodera presented the 2018 Defence White Paper to Cabinet on August 28. Assessing the threat perception, the White Paper argues that Japan is facing ‘unprecedentedly serious and imminent threat’<sup>8</sup> from North Korea’s nuclear and ballistic missiles programme. Despite the Trump-Kim meeting in Singapore and subsequent negotiations relating to denuclearisation of Korean Peninsula, Japan believes that there is no change in its recognition regarding the North Korea threat since it ‘taking into consideration the fact that North Korea appears to possess and deploy several hundred Nodong missiles capable of reaching almost every part of Japan’. To strengthen Japan’s deterrence vis-à-vis North Korean threat, the White Paper has stressed the need to ‘drastically improve ballistic missile defense capabilities’ and supported the introduction of two land-based Aegis System (Aegis Ashore) to strengthen upper tier interception Aegis-equipped destroyers. Furthermore, the White Paper also underscored Japan’s concerns relating to the ‘rapid modernization of the PLA, enhancement of operational capabilities, and unilateral escalation of activities in areas close to Japan, without sufficient transparency’. Subsequently the White Paper stresses the criticality of reinforcing the Japan-US alliance, which serves as a public good contributing regional peace and stability. Since Japan is facing one of the most severe security environment in its post-war history, Japanese defence administration articulated that Japan-US alliance has become ‘more important than ever’ to for the security of Japan. In addition, the White Paper also called for augmenting Self-Defence Force’s capabilities in new areas, such as space and cyberwarfare in a cross-cutting way.<sup>9</sup>

---

<sup>7</sup> “Mainland Reiterates Opposition to Military Contact between U.S., Taiwan”, *ChinaMil*, 17 October 2018, at [http://eng.chinamil.com.cn/view/2018-10/17/content\\_9315744.htm](http://eng.chinamil.com.cn/view/2018-10/17/content_9315744.htm) (Accessed 24 October 2018).

<sup>8</sup> Defense Of Japan 2018 (Digest), Ministry of Defense, August 2018 at [http://www.mod.go.jp/e/publ/w\\_paper/index.html](http://www.mod.go.jp/e/publ/w_paper/index.html), (Accessed 24 October 2018).

<sup>9</sup> Press Conference by the Defense Minister, Ministry of Defense, August 28, 2018 at <http://www.mod.go.jp/e/press/conference/2018/08/28a.html>, (Accessed 24 October 2018).

## Defence Ministry puts forward the budget request for fiscal year 2019

Defence ministry's budget proposal for the fiscal year 2019 stands at US\$ 47.8 billion, representing a 2.1% increase year-on-year.<sup>10</sup> The budget request argued for substantially bolstering Japan's defence capabilities that can 'squarely address the reality'. The budget request has factored in the purchase of two Aegis Ashore land-based anti-ballistic missile defense systems and six advanced F-35A fighters. In addition, it emphasizes the bolstering Japan-US Alliance in addition to defence cooperation with India, Australia, ASEAN countries in order to secure regional peace and stability.<sup>11</sup> It called for resource allocation to priority areas and develop a cross-domain capability in new domains for example space, cyber and electromagnetic spectrum in addition to the existing domains of land, sea and air. It also stresses on firming of technological bases as well as structural reform of research and development.

## India-Japan strengthen maritime cooperation with bilateral naval exercise

The third Japan-India Maritime Exercise (JIMEX) was held from 7-15 October in Visakhapatnam with the primary objective of boosting interoperability between the two navies and emulate each other's best practices. From the Japanese side, an Izumo Class helicopter carrier Kaga and a Guided Missile Destroyer Inazuma participated in the naval exercise alongside Indian INS Satpura, multipurpose stealth frigate, INS Kadmatt, Anti-Submarine Warfare Corvette, Missile Corvette and INS Shakti, the Fleet Tanker, and P8I Long Range Maritime Patrol Aircraft. The Harbour Phase of JIMEX focussed on professional interactions and the Sea Phase focussed on anti-submarine warfare exercises, vbss (visit, board, search and seizure) drills, gun firings, cross deck helo operations and coordinated operations in anti-submarine/ anti-air threat scenarios.<sup>12</sup> This edition of JIMEX is conducted after a hiatus of five years indicating the renewed momentum in India-Japan security cooperation aimed at securing the global commons and upholding the rules-based order maritime order. Before this edition of JIMEX, the trilateral Malabar naval exercise involving the US and Indian navies together with the Japanese Maritime Self Defence Forces was conducted from June 7-16 off Guam in the Philippines Sea, a key US naval base situated in the Western Pacific.

With the objective of furthering maritime domain awareness (MDA) in the Indo-Pacific region and securing regional peace and stability, India and Japan signed the Implementing Arrangement for deeper cooperation between the Indian Navy and the Japan Maritime Self-Defense Force (JMSDF) on October 29 during Prime Minister Modi's visit to Japan for the 13<sup>th</sup> annual summit meeting.<sup>13</sup> In addition, adding strategic depth to the bilateral security cooperation, India and Japan initiated negotiations on the Acquisition and Cross-Servicing Agreement (ACSA).

---

<sup>10</sup> Kosuke Takahashi, Japanese MoD asks for 2.1% budget increase for FY 2019, *IHS Jane's Defence Weekly*, 30 August 2018 at <https://www.janes.com/article/82687/japanese-mod-asks-for-2-1-budget-increase-for-fy-2019>, (Accessed 24 October 2018).

<sup>11</sup> Defense Related Budget Request for JFY2019, Japan Ministry of Defence, Sep. 2018 at [http://www.mod.go.jp/e/d\\_budget/pdf/300914.pdf](http://www.mod.go.jp/e/d_budget/pdf/300914.pdf), (Accessed 24 October 2018).

<sup>12</sup> Bilateral Maritime Exercise Between Japan and India (JIMEX 18) to Commence at Visakhapatnam, *Press Information Bureau*, Government of India Ministry of Defence, 7-October-2018 at <http://pib.nic.in/newsite/PrintRelease.aspx?relid=184013>, (Accessed 24 October 2018).

<sup>13</sup> India-Japan Vision Statement, Ministry of External Affairs, October 29, 2018 at <https://www.mea.gov.in/bilateral-documents.htm?dtl/30543/IndiaJapan+Vision+Statement>, (Accessed 24 October 2018).

---

## India and Japan strengthen security cooperation

India-Japan National Security Advisers' dialogue was hosted in Delhi from October 8-9. National Security Advisor of Japan, Shotaro Yachi held meeting with his Indian counterpart, Ajit Doval and exchanged views on several regional security concerns and discussed the prospects of strengthening bilateral security cooperation.<sup>14</sup>

India and Japan are strengthening bilateral security cooperation by way of augmenting linkages involving the armed forces of the two countries. India army and the Japanese Ground Self-Defence Forces are scheduled to hold the maiden joint exercise, 'Dharma Guardian' focussed on strengthening counter-terror cooperation in Mizoram's Vairengte from November 1-14. The primary objective is to boost interoperability and improve coordination in managing several security challenges. Indian and the Japanese side will train, plan and perform tactical drills for neutralization of possible threats that may be faced in urban warfare scenario. This is expected to enable mutual understanding and respect between the militaries.<sup>15</sup>

In addition, India-US air exercise, 'Cope India' scheduled in December will have Japanese observers. Since its inception in 2004, Cope India has deepened in scope with participation of fighter aircraft and force multipliers including Airborne Warning and Control System (AWACS).

## India-Japan 2+2 Ministerial Dialogue

During the 13<sup>th</sup> Annual India-Japan Summit meeting held in Tokyo on October 29, Prime Minister Modi and his Japanese counterpart Shinzo Abe upgraded the 2+2 Vice-Ministerial level dialogue to 2+2 Ministerial Dialogue involving the Foreign and Defense Ministers of both countries.<sup>16</sup> The aim is to reinforce the Special Strategic and Global Partnership founded on universal values and international norms. Earlier in June, the fifth India-Japan 2+2 Vice-Ministerial level dialogue was hosted in New Delhi where India's Foreign Secretary, Vijay Gokhale and Defence Secretary Sanjay Mitra met with their Japanese counterparts Deputy Minister for Foreign Affairs, Takeo Mori and Vice-Minister of Defence for International Affairs, Ro Manabe to exchange views and strengthen cooperation in areas including counter-terrorism, maritime security, defense equipment and technology, and peacekeeping operations. The 2+2 Ministerial Dialogue is instituted alongside the existing mechanisms, including the Annual Defence Ministerial Dialogue, Defence Policy Dialogue, the National Security Advisers' Dialogue and the Staff-level Dialogue of each service.

---

<sup>14</sup> Japan's National Security Advisor Mr. Shotaro Yachi's visit to India, Embassy of Japan in India, October 9, 2018 [https://www.in.emb-japan.go.jp/itpr\\_en/00\\_000700.html](https://www.in.emb-japan.go.jp/itpr_en/00_000700.html), (Accessed 24 October 2018).

<sup>15</sup> Curtain Raiser: Indo-Japan Joint Exercise Dharma Guardian- 2018, *Press Information Bureau*, Government of India Ministry of Defence, 18 October, 2018 (Accessed 24 October 2018).

<sup>16</sup> India-Japan Vision Statement, Ministry of External Affairs, October 29, 2018 at <https://www.mea.gov.in/bilateral-documents.htm?dtl/30543/IndiaJapan+Vision+Statement>, (Accessed 24 October 2018).



---

## KOREAN PENINSULA

### **Defence Minister Iwaya attends the fifth ADMM Plus meeting; holds Japan-US, Japan-South Korea bilateral meetings on the side-lines**

Japanese Defence Minister Takeshi Iwaya attended the Fifth ASEAN Defence Ministers' Meeting-Plus (ADMM-Plus) hosted by Singapore on 20 October. In addition, ASEAN-Japan Defence Ministers Informal Meeting was held on the side-lines of the fifth ADMM-Plus Meeting where ASEAN Defence Ministers supported Tokyo's suggestions to improve practical defence cooperation, advance interoperability, and contribute in ASEAN's capacity building so that it can face regional security challenges. 2018 commemorates the 45<sup>th</sup> year of ASEAN-Japan Friendship and Cooperation and under the 2016 Vientiane Vision, ASEAN-Japan Ship Rider Cooperation and ASEAN-Japan Joint Exercise for Humanitarian Assistance and Disaster Relief have advanced. In addition, Japan is introducing a Professional Airmanship Programme with the aim of increasing confidence-building among Japanese and air services of ASEAN member countries.<sup>17</sup> Earlier, the 10th Japan-ASEAN Defence Vice-Ministerial Forum was hosted in Nagoya from 9-10 September. The discussions stressed the significance of firming regional security cooperation with ASEAN to resolve regional security problems and further developing Japan-ASEAN defence cooperation under the 'Vientiane Vision'.

On the side-lines of the ADMM Plus meeting, defence Minister Iwaya held meeting with US Secretary of Defence James Mattis to discuss the regional security situation and reaffirm the enduring defence relationship between the two countries. He also held meeting with his South Korean counterpart Jeong Kyeongdoo and the discussion focussed on developments in the inter-Korea relations, strengthening Japan-South Korea relations for realising complete denuclearization of the Korean Peninsula and full enforcement of the UN Security Council resolutions, further stepping up coordination between Japan-South Korea-US for defence cooperation.<sup>18</sup> Earlier, Japanese Maritime Self Defence Forces (MSDF) refrained from participating in the International Fleet Review hosted in South Korea following Seoul's request not to showcase the Rising Sun flag during the event, bringing to the fore some challenging issues in building a 'future-oriented' bilateral relations.

### **Inter-Korea summit leads to the adoption of Pyeongyang Declaration**

The third Inter-Korea Summit was held in September 18-20 when South Korean President Moon Jae-in visited Kim Jong Un, Chairman in Pyongyang, leading to the adoption of the Pyeongyang Joint Declaration. This is in addition to the adoption of the historic Panmunjom Declaration earlier in April 2018. Pyeongyang Joint Declaration suggested that North Korea will permanently dismantle the Dongchang-ri missile engine test site under the watch of professionals from relevant nations. North Korea also expressed the willingness to permanently dismantle

---

<sup>17</sup> ASEAN And Japan Plan To Step Up Defence Cooperation, Ministry of Defence Singapore, October 20, 2018 at [https://www.mindef.gov.sg/web/portal/mindef/news-and-events/latest-releases/article-detail/2018/october/20oct18\\_nr/lut/p/z1/ZNB4EzJcOZAK5GdRQpBI2WwWZm714yglp1n87nQCBOSVjW8QZvG80AypGChGDIjNgQHUMppLW2v6StmUcay4PtfFAZDu8ZNHBUoCZh0Noz2QI5UHveA7AbmJhge52EixZnUrVWp4K163fPF5OpE-kI3gkn1LyKuCb91Ov2guNTyIimnI2Veju77V2V1VGw1LK1kj9ZqVjDZMFVoXD8urby5LIF0Lp64V-DvM4vAVcBs7Ez8dwNHL3fA\\_eseHe9YZVn-Ew7stZOM5r3eLzbPpQo/](https://www.mindef.gov.sg/web/portal/mindef/news-and-events/latest-releases/article-detail/2018/october/20oct18_nr/lut/p/z1/ZNB4EzJcOZAK5GdRQpBI2WwWZm714yglp1n87nQCBOSVjW8QZvG80AypGChGDIjNgQHUMppLW2v6StmUcay4PtfFAZDu8ZNHBUoCZh0Noz2QI5UHveA7AbmJhge52EixZnUrVWp4K163fPF5OpE-kI3gkn1LyKuCb91Ov2guNTyIimnI2Veju77V2V1VGw1LK1kj9ZqVjDZMFVoXD8urby5LIF0Lp64V-DvM4vAVcBs7Ez8dwNHL3fA_eseHe9YZVn-Ew7stZOM5r3eLzbPpQo/), (Accessed 24 October 2018).

<sup>18</sup> Extra Press Conference by Defense Minister Iwaya, Ministry of Defence Japan, October 20, 2018 <http://www.mod.go.jp/e/press/conference/2018/10/20a.html>, (Accessed 24 October 2018).

---

Yongbyon nuclear facility if the US, ‘takes corresponding measures in accordance with the spirit of the June 12 US-DPRK Joint Statement’.<sup>19</sup> Both leaders discussed ‘practical steps to advance inter-Korean relations to a new and higher dimension’. Accordingly they agreed to advance the cessation of military hostilities in the DMZ. They decided to earnestly implement the “Agreement on the Implementation of the Historic Panmunjom Declaration in the Military Domain” and convert the Peninsula into a zone of permanent peace. In addition, they decided to avert unintentional military clashes with the Inter-Korean Joint Military Committee. Furthermore, both Koreas discussed building rail and road connectivity along the east and west coasts, regularise the Gaeseong industrial complex, bolster humanitarian cooperation by opening a permanent family reunion facility in the Mt. Geumgang area and further facilitate cultural and artistic connections, take part jointly in the 2020 Summer Olympic Games and joint bidding to host 2032 Summer Olympic Games.

### **UN Security Council meeting on North Korea and non-proliferation**

Secretary of State, Mike Pompeo chaired a ministerial level meeting at the UN Security Council on North Korea and non-proliferation on September 27. Secretary Pompeo stressed that “the international pressure campaign” under President Trump’s leadership has delivered “the first significant diplomatic breakthrough in decades” with regard to North Korea. Furthermore, he articulated US position that strict implementation of sanctions need to continue up until final and verified denuclearization is realised. There were discussions on violations of UNSC resolution 2397 by some member states. Several member states argued that while effectiveness of sanctions are important, but it is not an end in itself and must focus on bringing about a political settlement. Chinese foreign minister, Wang Yi suggested that sanctions and advancement of a political settlement should be pursued neutrally. Furthermore, drawing from the latest encouraging diplomatic developments and shifts in North Korea’s effort, UNSC should reflect on easing of sanctions. Similarly, Russian foreign minister, Sergey Lavrov also stressed that optimistic developments on the political sphere must be followed by the easing of sanction including unilaterally imposed secondary sanctions by the US and its allies.<sup>20</sup>

### **Secretary of State Pompeo visits North Korea, Japan, China and South Korea**

Following the third Inter-Korea Summit in September, Secretary of State Mike Pompeo travelled to in the region including Tokyo, Pyongyang, Seoul and Beijing from October 6-8. During his meeting with Prime Minister Shinzo Abe, Secretary Pompeo stressed on the importance of coordinating with the allies with regard to denuclearizing North Korea together with its missile programs and the CBW program. In addition, he assured Tokyo that he will bring up the abduction issue during his meeting with Chairman Kim Jong-un. In his meeting with Chairman Kim Jong-un in Pyongyang, focus was on facilitating a second summit between President Trump and Chairman Kim. In addition, both sides discussed the four components featuring in Singapore Summit Joint Statement. Chairman Kim also extended an invitation to visit the Punggye Ri nuclear test site to endorse that it has been permanently dismantled. In his meeting with President Moon Jae-in in Seoul, Secretary Pompeo emphasised the pivotal role of South Korea in the realising the progress related to denuclearization and strengthening inter-Korea relations. At Beijing, Secretary Pompeo had separate meetings with Yang Jiechi, Member of the Political Bureau and Director of the Office of the Foreign Affairs Commission of the Central Committee

---

<sup>19</sup> Pyongyang Joint Declaration of September 2018, Cheong wa dae, September 19, 2018 at <http://english1.president.go.kr/BriefingSpeeches/Briefings/322>, (Accessed 24 October 2018).

<sup>20</sup> Bright Future Awaits If Democratic People’s Republic of Korea Fulfils Promises of Complete Denuclearization, *United States Tells Security Council*, UNSC, 27 September 2018 at <https://www.un.org/press/en/2018/sc13525.doc.htm>, (Accessed 24 October 2018).



---

of the Communist Party of China and Wang Yi, State Councilor and Foreign Minister. Both sides underscored the importance of building ‘constructive, results-oriented bilateral relationship’ and discussed several issues including developments in the South China Sea, upholding cross-strait peace, attaining fully verifiable denuclearization in the Korean Peninsula and human rights.<sup>21</sup>

### **DPRK-ROK sign a Comprehensive Military Agreement**

During the third inter- Korea summit, South Korea’s Defence Minister Song Young-moo and his North Korean counterpart No Kwang-chol signed a Comprehensive Military Agreement (CMA) envisioned to decrease tensions and prevent accidental clashes between the two Koreas.<sup>22</sup> The CMA encompasses measures on the land, at sea, and in the air. The agreement talks about removal of guard posts at the DMZ, a no-fly zone over parts of the MDL in addition to the disarmament of the JSA that needs consultations with the UN Command. The US has reportedly expressed its reservations over the CMA.<sup>23</sup> Subsequently, in October South Korea, North Korea, and United Nations Command (UNC) held trilateral military meeting with the aim of discussing the execution of the agreement. Some parts of the CMA involves the UNC. Both Koreas are anticipated to finish de-mining the JSA ensuing which both Koreas together with UNC, will initiate desecuritizing the JSA. It urges all three parties to “completely withdraw guard posts, personnel and firearms” from the JSA and pursue removing “unnecessary surveillance equipment” and institute a joint administrative body to supervise the desecuritization of the JSA.<sup>24</sup>

---

<sup>21</sup> Travel to Japan, North Korea, South Korea, and China, October 6-8, 2018, *US Department of State*, at <https://www.state.gov/secretary/travel/2018/t16/index.htm>, (Accessed 24 October 2018).

<sup>22</sup> Two Koreas sign comprehensive military agreement on reducing tensions, *Yonhap News Agency*, 2018/09/19 at <http://english.yonhapnews.co.kr/news/2018/09/19/0200000000AEN20180919004252315.html>, (Accessed 24 October 2018).

<sup>23</sup> Military deal bothered Pompeo, *Korea JoongAng Daily*, Oct 12,2018 at <http://koreajoongangdaily.joins.com/news/article/article.aspx?aid=3054152>, (Accessed 24 October 2018).

<sup>24</sup> Ankit Panda, Koreas, United Nations Command Hold Trilateral Military Talks, *The Diplomat*, October 18, 2018 at <https://thediplomat.com/2018/10/koreas-united-nations-command-hold-trilateral-military-talks/>, (Accessed 24 October 2018).

# PERSPECTIVE ON THE REGION

## CHINESE PRESIDENT XI JINPING ATTENDS THE EASTERN ECONOMIC FORUM 2018

NIVEDITA KAPOOR

*Research Scholar, Jawaharlal Nehru University*

The fourth meeting of the Eastern Economic Forum (EEF), which was launched in 2015 with a view to promote business and investment in the Russian Far East (RFE), was held on September 11-12, 2018 in Vladivostok, Russia.

In a first for the Forum, Chinese president Xi Jinping was in attendance, marking a departure from the previous three years. In the earlier editions of the Forum, despite being Russia's leading trade partner (in terms of total value of trade<sup>1</sup>) and its closest strategic partner in East Asia, China had been notably absent in its high level representation. While Japan has seen the presence of PM Shinzo Abe for three years straight since 2016 and South Korean presidents making the trip in 2016 and 2017, China had not deemed it essential for its head of state to travel to the Forum.

However, with China increasingly embroiled in a trade war with US, which has further negatively impacted its already slowing growth rate<sup>2</sup>, it has been noted that the prevailing tension has led to the change in 2018<sup>3</sup>. President Jinping himself remarked on the changing 'international situation' with a rise in 'protectionism<sup>4</sup>', calling for 'jointly addressing external risks' with Russia while President Putin in his address to the Forum also alluded to the US-China tensions, cautioning against 'new forms of protectionism<sup>5</sup>'.

The Eastern Economic Forum is a crucial element in Russia's Asia Policy, having been designed to woo investment and business from Northeast Asian states in particular for the resource-rich but vastly underdeveloped RFE. The EEF seeks to develop Far East as a 'priority<sup>6</sup>', as declared by Putin in his first address to the Forum in 2015. He had called the Forum and its focus on Far East a continuation of the country's 'historic course' towards the Pacific coast.

---

<sup>1</sup> "Russia-China Trade Up 20.8% in 2017", *Sputnik International*, January 12, 2018, at <https://sputniknews.com/business/201801121060694384-russia-china-trade-up/> (accessed October 23, 2018).

<sup>2</sup> Karishma Vaswani, "China-US trade war: More pain to come for China", *BBC*, October 19, 2018, at <https://www.bbc.com/news/business-45898619> (accessed 24 October 2018).

<sup>3</sup> Shannon Tiezzi, "Xi Is Attending the Eastern Economic Forum. What Took Him So Long", *The Diplomat*, September 12, 2018, at <https://thediplomat.com/2018/09/xi-is-attending-the-eastern-economic-forum-what-took-him-so-long/> (accessed October 23, 2018).

<sup>4</sup> "Xi calls for strengthening cooperation in Northeast Asia for regional peace, prosperity", *Address by H.E. Xi Jinping, President of the People's Republic of China to the plenary session of the Eastern Economic Forum*, September 12, 2018, at [https://www.fmprc.gov.cn/mfa\\_eng/topics\\_665678/xjpfecxdsjdfjlt/t1595054.shtml](https://www.fmprc.gov.cn/mfa_eng/topics_665678/xjpfecxdsjdfjlt/t1595054.shtml) (accessed October 24, 2018).

<sup>5</sup> "Eastern Economic Forum plenary session", *Address by H.E. Vladimir Putin, President of the Russian Federation to the plenary session of Eastern Economic Forum*, September 12, 2018, at <http://en.kremlin.ru/events/president/news/58537> (accessed October 23, 2018).

<sup>6</sup> Ibid

---

The RFE is seen as Russia's opening to the broader East Asia, specifically Northeast Asia, where it does share common interests with China - particularly with reference to creation of a Northeast Asian security architecture, missile defense, Korean nuclear crisis, multipolarity, non-interference in internal affairs and primacy of sovereignty. While the post-Cold War region has been dominated by actors other than Russia and the former superpower remains a shadow of its self in the broader East Asia in terms of political, economic, military and strategic influence – China benefits from having a former superpower as a strategic partner.

The move towards East Asia has become critical for Russia which is feeling the squeeze economically due to a slow growth rate and sanctions imposed on it in the light of Ukraine crisis and the annexation of Crimea in 2014. The relations deteriorated further on account of the repercussions of its alleged interference in 2016 US elections and the poisoning in UK. This has led to Russia getting increasingly closer to China, despite concerns about an increasingly unequal trade partnership as well as differences in the relative power of the two in East Asia.

Another significant remark from the Chinese president was regarding increasing the synergy between 'Belt and Road Initiative (BRI) and the Eurasian Economic Union'<sup>7</sup> – both seeking and extending support at the same time – with President Putin adding that his government 'fully' supported the idea. BRI has come under criticism for the prospective risk of leading to a debt trap among smaller countries at a time when China has sought to further its economic and strategic foothold. Russia has meanwhile been looking to improve its standing in East Asia and gain economic benefits through Free Trade Agreements between the Union and the regional states, with Vietnam being the first in 2016 to be followed by China in 2019, with the only other negotiation in East Asia currently on being with Singapore. Also, cooperation between BRI and EAEU would bring the two closer in Central Asia, where Russia has balanced its relations with China despite the latter's rapidly increasing presence in a region traditionally considered Moscow's sphere of influence.

This year, the Forum saw deals worth RUB 3.185 trillion<sup>8</sup> signed at EEF. At 31, China led the total number of agreements signed between companies from the two countries while Japan and Korea were at 16 and nine agreements each. However, in valuation terms, Japan was far ahead in the agreements with a total value of RUB 1.591 trillion versus RUB 290.6 billion for China. However, it must be noted that despite similar deals in the past and the enthusiastic presence of Japanese and South Korean leadership, the economic windfall from the Forum for RFE has yet to make its presence felt. Therefore, it remains unclear if it will translate to actual progress on the ground in a region beset with the problems of under-population, poor infrastructure, corruption, high labour costs, cumbersome regulatory framework and difficult climate conditions for work. Also, fears remain on the Russian side about the region becoming a resource appendage to China.

But the significance of the event cannot be missed – given the backdrop of the simultaneous staging of the Vostok 2018 war games (11-17 September) alongside the EEF. Although the participation of China is at a far lesser number (3,200 personnel) when compared to the 297,000 personnel on the Russian side, there was no doubting the power projection as the strategic partnership deepens between the two countries in the largest ever war games Russia has staged since 1981, before the end of the Cold War.

From the war games to bonhomie between Jinping and Putin as they made pancakes to the symbolism of the visit itself, coming at a troubled time for both Russia and China – it was clear that the two countries were seeking to present a united front at a time of tensions with the US as well as strengthen their bilateral relationship.

---

<sup>7</sup> "Xi, Putin vow to promote ties regardless of global changes", Ministry of Foreign Affairs of the PRC, September 11, 2018, at [https://www.fmprc.gov.cn/mfa\\_eng/topics\\_665678/xjpfecxdsjdfjlt/t1594333.shtml](https://www.fmprc.gov.cn/mfa_eng/topics_665678/xjpfecxdsjdfjlt/t1594333.shtml) (accessed October 24, 2018).

<sup>8</sup> "58 agreements signed with international companies at EEF 2018", *Eastern Economic Forum*, September 28, 2018, at <https://forumvostok.ru/en/news/58-agreements-signed-with-international-companies-at-eeef-2018/> (accessed October 25, 2018).

---

# MADE IN CHINA 2025: BEIJING'S PURSUIT FOR FULL-SPECTRUM TECHNOLOGICAL DOMINANCE

JYOTISHMAN BHAGAWATI

*Research Scholar, Jamia Millia Islamia*

China is well-known for giving strategic surprises from time to time. This is as true as the rest of the world is typically known for their lack of understanding of the country. The process of acquisition and consequent operationalization of the *Kuznetsov*-class aircraft carrier 'Varyag' by the PLA Navy is a case in point of such grand strategic deception employed by Beijing, which no country could foresee.

Authoritarian states seldom disclose their strategic projects. Even when they do so, the details are usually hidden in a very subtle manner. China is no stranger in this regard, as exemplified by its much publicised 'Belt and Road' Initiative (BRI), whose stated purpose is to increase trade and investments among member states, but increasingly, the geopolitical motives of Beijing behind the initiative are getting more attention than its intended benefits.

If the BRI is a part of China's strategy to attain primacy in Asia, and eventually the world, the "Made in China 2025" (MIC 2025), complementing the BRI, reflects a grand design to achieve parity with the US (the current world leader) in indigenously manufacturing high-tech components by 2025 and gradually accomplish worldwide dominance in developing core technologies by 2049.

The MIC 2025 was first mentioned in March 2015 by Premier Li Keqiang, although it had been at work much before than that. It is inspired by Germany's "Industry 4.0" plan for intelligent and efficient manufacturing, but its scope and ambition is far broader.<sup>1</sup> The plan specifically lists out 10 target industries which includes new and advanced information technology (including AI and quantum computing), advanced robotics, electric and other new energy vehicles, agricultural equipment, high-end rail infrastructure, aerospace engineering, high-tech maritime equipment, advanced electrical equipment and emerging bio-medicine.<sup>2</sup>

The unveiling of the MIC 2025 plan comes at a particularly significant time for China. The targeted sectors of the plan are central to the "fourth industrial revolution", which refers to the integration of big data, cloud computing and other emerging technologies into global manufacturing supply chains. With a declining economic growth and over dependence on the US for high-tech equipment, the MIC 2025 is anticipated to be China's salvation from falling into the "middle-income trap". Moreover, since the initiative is a roadmap towards indigenous innovation in cutting-edge and high tech industries, the success of the plan will determine the strength of not just its military but also of its manufacturing prowess, and constitute a competitive threat to US and European industries.<sup>3</sup> As Matt Sheehan writes at *Marco Polo*: "If Made in China 2025 were to generally succeed, it would do

---

<sup>1</sup> Scott Kennedy, "Made in China 2025", *Center for Strategic and International Studies*, June 1, 2015, at <https://www.csis.org/analysis/made-china-2025> (Accessed October 29, 2018)

<sup>2</sup> "Is 'Made in China 2025' a Threat to Global Trade?", *Council on Foreign Relations*, August 2, 2018, at <https://www.cfr.org/backgrounder/made-china-2025-threat-global-trade> (Accessed October 29, 2018)

<sup>3</sup> "Made in China 2025: The Domestic Tech Plan That Sparked An International Backlash", *Sinica*, June 28, 2018, at <https://supchina.com/2018/06/28/made-in-china-2025/> (Accessed October 29, 2018)

---

for high-tech manufacturing what China did to low-cost manufacturing in the preceding two decades: vacuuming up a huge portion of global production and concentrating it in mainland China”.<sup>4</sup>

Expectedly, the MIC 2025 plan has raised a lot of eyebrows, especially in Washington, which has recently imposed tariffs on Beijing, accusing it of discriminatory treatment of foreign investments, forced technology transfers, intellectual property theft and cyber espionage, thereby posing an “unprecedented threat” to the US industrial base.<sup>5</sup>

American officials have long blamed China of exploiting cyber methods to steal intellectual property. In 2014, FBI director James Comey remarked that “there’s only two types of big corporations in America. Those who have been hacked by the Chinese, or those who don’t yet know they’ve been hacked by the Chinese”.<sup>6</sup> But in spite of the “tremendous intellectual property theft”, successive US administrations have failed to deal with Beijing appropriately.

However, Trump has signalled that his administration is not going to conduct business as usual with China, but has rather upped the ante against Beijing. On March 22, this year, the US Trade Representative published a scathing 200-page report, known as “Section 301” accusing China of stealing trade secrets using cyber-espionage to strike “US commercial networks in line with Chinese industrial policy goals”.<sup>7</sup> Following the section 301 investigation, Trump started implementing 25% tariffs on US\$34billion worth of Chinese goods, targeting 818 products central to Beijing’s MIC 2025 initiative.<sup>8</sup> Intensifying the trade war with China, Trump recently imposed additional tariffs on US\$200billion worth of Chinese goods citing “unfair policies and practices” of Beijing.<sup>9</sup> The administration has also blocked several Chinese acquisition attempts of US technology companies on national security grounds.

Indigenous production and innovation had long been an official Chinese policy. China has traditionally viewed technological up-gradation as a key to national power since its inception. The only difference today is that Beijing now has the resources to invest in grandiose projects of wide-reaching impact. China has set itself two centennial goals- to be accomplished by 2021 and 2049. It aims to build a “moderately prosperous society” (double 2010 GDP per capita, to around US\$10,000) by 2021 and become a “modernised, fully developed, rich and powerful” nation by the end of the second centennial goal, which will also mark the 100<sup>th</sup> anniversary of the People’s Republic.<sup>10</sup>

---

<sup>4</sup> Matt Sheehan, “Trump’s Trade War Isn’t About Trade, It’s About Technology”, *Macro Polo*, April 3, 2018, at <https://macropolo.org/trumps-trade-war-isnt-trade-technology/> (Accessed October 29, 2018)

<sup>5</sup> “Is ‘Made in China 2025’ a Threat to Global Trade”, *Council on Foreign Relations*, August 2, 2018, at <https://www.cfr.org/backgrounder/made-china-2025-threat-global-trade> (Accessed October 29, 2018)

<sup>6</sup> Graham Allison, *Destined for War: Can America and China Escape Thucydides’s Trap*, Houghton Mifflin Harcourt, New York, 2017, pp. 17-18.

<sup>7</sup> “Findings of the Investigation into China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation Under Section 301 of the Trade Act of 1974”, *Office of the US Trade Representative*, March 22, 2018, at <https://ustr.gov/sites/default/files/Section%20301%20FINAL.PDF> (Accessed October 29, 2018)

<sup>8</sup> Alice Tse and Julianna Wu, “Why ‘Made in China 2025’ triggered the wrath of President Trump”, *South China Morning Post*, September 11, 2018, at <https://multimedia.scmp.com/news/china/article/made-in-china-2025/index.html> (Accessed October 29, 2018)

<sup>9</sup> “Trump hits China with \$200bn of new tariffs as trade war escalates”, *The Guardian*, September 18, 2018, at <https://www.theguardian.com/us-news/2018/sep/17/donald-trump-united-states-threatens-to-impose-200bn-import-tariffs-on-china-in-trade-war> (Accessed October 29, 2018)

<sup>10</sup> Graham Allison, *Destined for War: Can America and China Escape Thucydides’s Trap*, Houghton Mifflin Harcourt, New York, 2017, pp. 17-18.



---

The urgency with which Beijing is pursuing these “goals” can be reflected from the pace at which China’s armed forces have transformed since the country ‘opened up’. Since Deng Xiaoping’s “four modernisations” in 1978, China achieved two generations of military modernisation in just over 14 years.<sup>11</sup> Today, China boasts of having the world’s top-two fastest supercomputers made with indigenous processors. It has made great strides in developing capabilities for “fifth-generation warfare” by focusing on the development of artificial intelligence, cyber warfare, anti-satellite weapons and other disruptive technologies. In its pursuit for intelligence supremacy, China recently launched a quantum satellite which has enormous applications for both military and civilian use.

Beijing’s rapid strides in technology has altered the military balance in the Indo-Pacific region. The MIC 2025 plan is expected to further augment China’s “intelligent operations” and counter-intelligence measures. China’s highly advanced surveillance apparatus is already widespread in places like Xinjiang and Tibet, while it plans to introduce a nation-wide “social credit system” by 2020. The development of disruptive technologies has allowed Beijing to focus on “intelligent operations” beyond its shores. Recently, it was reported that the PLA infiltrated the supply chain of computer hardware maker Super Micro Computer Inc. and inserted malicious chips into computer equipment manufactured for about 30 US companies, including Apple and Amazon, that could be used for stealing corporate and government secrets.<sup>12</sup> Another recent report by the Foundation for Defense of Democracies attributed up to 80 percent of cross-border intellectual property theft worldwide, and over 90 percent of economic cyber espionage in the US, to Chinese hackers.<sup>13</sup>

Contrary to its “hide and bide” policy of the past, Beijing today openly talks about world domination, calls for internet sovereignty, offers to export its political system to other states and flouts international rules wherever national interest dictates. The recent change in US attitude towards China is a positive step towards upholding the rules of the international economic order, but other like-minded states must also rise up against such aggressive tactics from Beijing. India is particularly vulnerable to China’s C4ISR (command, control, communications, computers, intelligence, surveillance and reconnaissance) capabilities, due to its lack of organisational jointness among the forces and its relatively much weaker counter-intelligence apparatus. On the other hand, China is progressively getting transformed from a platform-centric to a cyber-enabled force in order to be capable of fighting and winning “informationized” wars. Beijing’s aggressive pursuit of, and its steady progression towards achieving the goal of full-spectrum technological dominance is the most threatening aspect of the current security calculus of the Indo-Pacific region.

---

<sup>11</sup> *Air Commodore Ramesh Phadke, China’s Power Projection*, Manas Publications, New Delhi, 2005, pp. 12.

<sup>12</sup> “The big hack: How China used a tiny chip to steal data from US companies like Amazon, Apple”, *Indian Express*, October 6, 2018, at <https://indianexpress.com/article/technology/the-big-hack-how-china-used-a-tiny-chip-to-infiltrate-us-companies-5387450/> (Accessed October 29, 2018)

<sup>13</sup> John Hayward, “Report: Chinese Cyber Espionage ‘Single Greatest Threat to US Technology’”, *Breitbart*, September 6, 2018, at <https://www.breitbart.com/national-security/2018/09/06/report-chinese-cyber-espionage-threat-technology/> (Accessed October 29, 2018)

---

## IS INDO-PACIFIC A HOTBED FOR STRATEGIC RIVALRY BETWEEN CHINA AND THE US?

MRITTIKA GUHA SARKAR

A tumultuous security relationship since 1971, ameliorated by Henry Kissinger's efforts to establish cordial relations between the United States and China, has been seeing a new low in light of the recent disagreements between the countries.<sup>1</sup> The military relations appear to be deteriorating especially after United States imposed sanctions on China's purchase of Russian weapons and equipment.<sup>2</sup> In response to this, China postponed the Joint Military Talks supposed to be held between them, as an act of protest.<sup>3</sup> The recent developments have thus degraded an already existing tension – Xi Jinping's rise and consolidation of political power in China and the surprise electoral victory of Donald Trump as the US president in 2016. Similar aspirations - 'Great Rejuvenation' by Xi Jinping and 'Make America Great Again' by Trump – has ironically posited the two against each other.<sup>4</sup>

Military relations have been the feeblest aspect of Sino-US relations, mostly due to differences in policies on core security concerns like the Taiwan issue, North Korea, South China Sea, arms sales and Weapons of Mass Destruction (WMD) proliferation. The strategic approach of US towards China was firmly expressed by Trump in his first National Security Strategy last year describing China as a 'strategic competitor' and a 'revisionist power' trying to shape the world adversative of the USA.<sup>5</sup> Though this approach is not entirely new – previously adopted by George Bush – it is in light of the ongoing trade war which makes it relatively more critical and tenacious. Furthermore, the much needed visit to China by the US Defence Secretary, Jim Mattis this year remained fruitless, doing little to divert both the countries away from the increasing competition and friction.<sup>6</sup> It is hence well known that both the powers harbor sharply divergent views, be it regarding the Taiwan issue or the South China Sea, which are becoming areas of containment and major sources of tension. United States also enhanced approximately 60% of its military capabilities in the Asia-Pacific while deploying the THAAD system

---

<sup>1</sup> Sanjukta Banerji. Bhattacharya (2011), "China's Strategic Culture and Sino-US Military Relations: A Re-view." *Journal of Defense Studies*, 5(3), pp. 98-116.

<sup>2</sup> Lesley Wroughton, Patricia Zengerle, "U.S. sanctions China for buying Russian fighter jets, missiles." *Reuters*. September 20, 2018 at <https://www.reuters.com/article/us-usa-russia-sanctions/u-s-sanctions-china-for-buying-russian-fighter-jets-missiles-idUSKCN1M02TP> (accessed October 23, 2018).

<sup>3</sup> A. Panda, "China Postpones Military-to-Military Talks With US After CAATSA Sanctions." *The Diplomat*, September 23, 2018, at <https://thediplomat.com/2018/09/china-postpones-military-to-military-talks-with-us-after-caatsa-sanctions/> (Accessed September 20 2018).

<sup>4</sup> Amanda Macias, "Trade turmoil between China and the US spills into military relations." *CNBC*, September 27, 2018, at <https://www.cnn.com/2018/09/27/military-relations-between-beijing-and-washington-suggest-that-the-trade-war-has-spilled-into-the-battlespace.html>, (Accessed September 20 2018).

<sup>5</sup> White House, United States of America (2017), "National Security Strategy ." pp. 21-25. Accessed September 20. <https://www.whitehouse.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf> (accessed October 23, 2018).

<sup>6</sup> Shannon Tiezzi, "Another US-China Dialogue Bites the Dust." *The Diplomat*, October 2, 2018, at <https://thediplomat.com/2018/10/another-us-china-dialogue-bites-the-dust/> (accessed October 23, 2018).



in South Korea last year.<sup>7</sup> The latter saw opposition from China, which put trade restrictions on South Korea after the instalment.<sup>8</sup> US increased its freedom of navigation operations in the region while enhancing military-to-military contacts with Taiwan. Taiwan, from time and again, has been firmly called as an inalienable part of China and has frequently witnessed numerous naval drills. At the same time, China has stepped up the naval power capabilities in the South China Sea, much to the displeasure of Washington and other governments.

Subsequently, China's increasingly aggressive posture in the South China Sea provoked the U.S. military to disinvite China from participating in the Rim of the Pacific (RIMPAC) exercise in Hawaii.<sup>9</sup> The US championing an open and free Indo-Pacific condemned China's militarization in the region for a potential destabilization and a catalyst to the blooming tensions. This is contradictory to China's participation in the exercise in 2016 despite the tensions which hint towards increasingly waning relations.<sup>10</sup> USA furthermore, changed its largest unified combatant command, US Pacific Command (PACOM) to Indo-Pacific Command (INDOPACOM).<sup>11</sup> While a change in the name might not imply a substantial modification, its strategic implications surely would. As Jim Mattis announced the renaming of the command, he acknowledged the importance of connectivity between the Indian and Pacific oceans recognizing the importance of the region Indo-Pacific as the next main stage for the world geopolitics.<sup>12</sup> In fact, it signifies a vital shift in US military thought and strategy with hypothetically extensive consequences.

Lately, US has been enhancing its military presence in the region with a "Free and Open Indo-Pacific Strategy" expounded by Jim Mattis at the Shangri-La Dialogue, 2018 in Singapore.<sup>13</sup> He firmly advocated freedom, sovereignty and a rule-based order and at the same time, did not fail to question China's broader goals for its militarization of the South China Sea. Mattis hence made sure to propose support to China, but only if it adheres to the peace and prosperity of the region. At the same time, the region has also become a priority for China. Forming a focal point in its grand connectivity project of Belt and Road Initiative (BRI), it has been developing ports, bases and enhancing its naval presence in the region. While there is still an ambiguity if China holds any Indo-Pacific strategy, the region surely houses 80% of China's energy trade through the straits of Malacca and Hormuz crucial for its Sea Lines of Communication (SLOCs).

---

<sup>7</sup> Zhao Weibin, "A Review of China-U.S. Military Relations in 2017," *Chinafocus*, December 22, 2017, at <https://www.chinausfocus.com/peace-security/a-review-of-china-us-military-relations-in-2017> (accessed October 23, 2018).

<sup>8</sup> Christopher Woody, "China is going after South Korea's wallet in their dispute over the THAAD missile system", *Business Insider*, March 20, 2017, at <https://www.businessinsider.in/China-is-going-after-South-Koreas-wallet-in-their-dispute-over-the-THAAD-missile-system/articleshow/57737728.cms>, (accessed October 23, 2018).

<sup>9</sup> Helene Cooper, "U.S. Disinvites China From Military Exercise Amid Rising Tensions", *The New York Times*, May 23, 2018 at <https://www.nytimes.com/2018/05/23/world/asia/us-china-rimpac-military-exercise-tensions.html>, (accessed October 23, 2018).

<sup>10</sup> Eugene Tanner, "Chinese fleet arrives in Hawaii for RIMPAC 2016 drill", *Xinhua*, June 30, 2016 at [http://www.xinhuanet.com/english/2016-06/30/c\\_135478106\\_5.htm](http://www.xinhuanet.com/english/2016-06/30/c_135478106_5.htm), (accessed October 23, 2018).

<sup>11</sup> George Varghese, "U.S. Pacific Command renamed U.S. Indo-Pacific Command", *The Hindu*, May 31, 2018 at <https://www.thehindu.com/news/international/us-pacific-command-renamed-us-indo-pacific-command/article24043314.ece> (accessed October 23, 2018).

<sup>12</sup> "U.S. Indo-Pacific Command Holds Change of Command Ceremony", *Command U.S Pacific 2018*, at <http://www.pacom.mil/Media/News/News-Article-View/Article/1535776/us-indo-pacific-command-holds-change-of-command-ceremony/>, (accessed October 23, 2018).

<sup>13</sup> "Remarks by Secretary Mattis at Plenary Session of the 2018 Shangri-La Dialogue", 13 *Defense, U.S. Department 2018*, (accessed October 23, 2018).

---

Amidst a global power flux, we see a revival of strategic competitions and rivalries which place the future liberal order in an ambiguous position. As convergence of interests and aspirations ensues divergence in their approach towards each other, there is a need for greater understanding between US and China of the evolving global order to prevent regions like the Indo-Pacific to become a stage for rivalries. For US, China's rise has created a power imbalance while it has used to growing power in disconcerting and perplexing ways.<sup>14</sup> At the same time, China has viewed US as trying to blunt its rise and restrict its influence.<sup>15</sup> While a further deterioration of relations can be a probability, the latter can be avoided through enhanced communication. In the midst of tit-for-tat games of sanctions, it is imperative for both the countries to enhance contacts at their nadir i.e. the military relations between US and China. As security takes the front seat for most major powers, a military-military communication would enhance cooperation and tranquillity between them.<sup>16</sup> Furthermore, as recent concepts like the "free and open Indo-Pacific" (FIOP) have yet to become more profound and take a proper shape, cooperation between the two major powers need to be addressed more adroitly and systemically.

---

<sup>14</sup> Thomas J. Christensen (2011), "Posing Problems without catching up", *International Security*, 25(4).

<sup>15</sup> Ji You (2016), "The Sino-US 'Cat-and-Mouse' Game Concerning Freedom of Navigation and Flights: An Analysis of Chinese Perspectives." *Journal of Strategic Studies*, 39 (5,6), pp. 637-661.

<sup>16</sup> Liqun Zhu (2013), "Rejoinder: Developing a New, Type of Relationship Between China and the US," *The International Spectator: Italian Journal of International Affairs*, 48 (3), pp. 27-33.

# CONTRIBUTING MEMBERS

---

## **DR PRASHANT KUMAR SINGH**

ASSOCIATE FELLOW

## **DR TITLI BASU**

ASSOCIATE FELLOW

## **COL GAURAV MISRA**

RESEARCH FELLOW

## **DR OPANGMEREN JAMIR**

RESEARCH ANALYST

## **Ms ATMAJA GOHAIN BARUAH, EDITOR**

PROJECT ASSISTANT

We appreciate the support of the Center Coordinator Dr Jagannath P Panda.

\* All the footnotes were verified at the time of publication.

### **Disclaimer**

This newsletter does not reflect the views of IDSA. IDSA is not responsible for the accuracy and authenticity of the news items.