NMF Commentary July 20, 2011

Varuna Complex, Airport Road, NH - 8, New Delhi - 110010 Tel: +91-11-26154901

Tele fax: +91-11-26156520 Website: www.maritimeindia.org



South China Sea Dispute: A New Area of Global Tension

-- Dr. Amit Singh*

Territorial disputes between China and several Southeast Asian countries, over islands in the South China Sea (SCS) have been going on for decades. However, with the United Nations Commission on the Limits of the Continental Shelf (UNCLCS) setting a deadline for submitting claims for extended continental shelves beyond 200 nautical miles, the issue has turned into a new area of global tension. After Vietnam and Malaysia submitted their respective claims, China made a submission to the UN in May 2009 and claimed that it had "indisputable sovereignty over the islands in the South China Sea and the adjacent waters, and enjoys sovereign rights and jurisdiction over the relevant waters as well as the seabed and subsoil thereof." Beijing also included the SCS in its "core national interests" and in the non-negotiable territorial claims category—the same phrase it uses for Taiwan, Tibet and Xinxiang.

In response, the US Secretary of State Hillary Clinton rejected China's claims to sovereignty over the 1.3 million square-mile sea at the 17th ASEAN Regional Forum (ARF) meeting in July 2010 at Hanoi. She stated that "the United States has a national interest in freedom of navigation, open access to Asia's maritime commons and respect for international law in the South China Sea", and reiterated the importance of "opposing the use of force or any coercion by any claimant." Further, she called for a binding "regional code of conduct" in the South China Sea—a move that would undercut China's attempts to assert its claims in a region that Beijing regards as "strategically sensitive".

In the recent years, China has been growing increasingly assertive in pressing its claims over SCS matters. But the other nations in the region do not acquiesce to China's claims. In fact, during the 2010 ARF meeting, it was reported that 12 of the 27 participating

^{*} Dr. Amit Singh is a Research Associate at the National Maritime Foundation, New Delhi. The views expressed are those of the author and do not reflect the official policy or position of the Indian Navy or National Maritime Foundation. The author can be reached at amitsinghjnu@gmail.com.

countries had backed the United States' multilateral approach instead of China's bilateral approach for resolution of the SCS disputes.

Claimants of the South China Sea

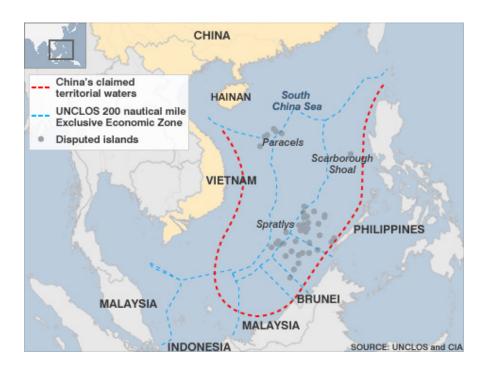
China, Taiwan, Vietnam, Philippines, Malaysia and Brunei are the claimants of maritime zones in the SCS. In the South China Sea there are more than 200 tiny islands and several uninhabited rocky outcrops, atolls, sandbanks and reefs; majority of them located in the Paracel and Spratly Island chains. The Spratly and Paracel islands are the major flashpoints of overlapping territorial disputes within the South China Sea.

Table: Territorial claims relating to Paracel and Spratly Island Group

Country	Claims
China	Refers to the Spratly Islands as the Nansha islands, and claims all the islands and most of the
	South China Sea for historical reasons. These claims are not marked by coordinates or
	otherwise clearly defined. China also claims the Paracel Islands (referred to as the Xisha
	Islands), and includes them as part of its Hainan Island province.
	Chinese claims are based on a number of historical events, including the naval
	expeditions to the Spratly Islands by the Han Dynasty in 110 AD and the Ming Dynasty from
	1403-1433 AD. Chinese fishermen and merchants have worked in the region over time, and China is using archaeological evidence to bolster its claims of sovereignty.
	In the 19 th and early 20 th centuries, China asserted claims to the Spratly and Paracel
	islands. During World War II, the islands were claimed by the Japanese. In 1947, China
	produced a map with 9 undefined dotted lines, and claimed all of the islands within those lines.
	A 1992 Chinese law restated its claims in the region. In 1974, China seized the Paracel Islands
	from Vietnam.
Taiwan	Taiwan's claims are similar to those of China, and are based upon the same principles. As with
	China, Taiwan's claims are also not clearly defined. Occupies Pratas Island in the Spratlys.
Vietnam	Vietnamese claims are based on history and the continental shelf principle. Vietnam claims the
	entire Spratly Islands (Truong Sa in Vietnamese) as an offshore district of the province of
	Khanh Hoa. Vietnamese claims also cover an extensive area of the South China Sea, although
	they are not clearly defined. In addition, Vietnam claims the Paracel Islands (the Hoang Sa in
	Vietnamese), although they were seized by the Chinese in 1974. The Vietnamese have followed the Chinese example of using archaeological
	evidence to bolster sovereignty claims.
Philippines	Its Spratly claims have clearly defined coordinates, based both upon the proximity principle as
· ·····ppiiico	well as on the explorations of a Philippine explorer in 1956. In 1971, the Philippines officially
	claimed 8 islands that it refers to as the Kalayaan, partly on the basis of this exploration,
	arguing that the islands: 1) were not part of the Spratly Islands; and 2) had not belonged to
	anyone and were open to being claimed. In 1972, they were designated as part of Palawan
	Province, and have been occupied.
Malaysia	Its Spratly claims are based on the continental shelf principle, and have clearly defined
	coordinates. Malaysia has occupied 3 islands that it considers to be within its continental shelf.
Drunoi	Malaysia has tried to build up one atoll by bringing soil from the mainland and has built a hotel.
Brunei	Does not occupy any of the islands, but claims part of the South China Sea nearest to it as a part of its continental shelf and Exclusive Economic Zone (EEZ) as defined by the United
	Nations Convention on the Law of the Sea (UNCLOS) 1982. Therefore, in 1984, Brunei
	declared its EEZ which included Louisa Reef.
Indonesia	Not a claimant to any of the Spratly Islands. However, Chinese and Taiwanese claims in the
	South China Sea extend into Indonesia's EEZ and continental shelf, including Indonesia's
	Natuna gas field.
_	The state of the s

Source: www.southchinasea.org

Map: South China Sea



Beijing claims almost the entire SCS, citing 'historical' records which purportedly show Chinese control in the region over the past two millennia. Taiwan's claims are similar to those of China as the island considers itself to be the Republic of China. Indonesia is also a party to the dispute but they are seeking only maritime rights without claiming any islands of the region. In fact Indonesia's EEZ and continental shelf overlap China's claims, which include Indonesia's largest natural gas reserves. Vietnam rejects China's historical explanation and asserts that Beijing had never claimed sovereignty over the islands till the 1940s. Hanoi is convinced that both Spratly and Paracels are entirely within its own territory and has the documents to prove that the islands have been ruled by Vietnam since the 17th century.

Strategic and Economic Importance of the South China Sea

The main reason behind the scramble for the two island chains is its richness in natural resources, especially oil and gas. On April 19, 2011 China's *Global Times* published a special report that termed the region as the "Second Persian Gulf" – a repository of 50 billion tons of crude oil and more than 20 trillion cubic meters of natural gas (about twenty five times China's proven oil reserves and eight times its gas reserves).

The SCS is not only a strategic maritime link between the Pacific and the Indian Oceans, but also a vital gateway for shipping in East Asia. Eighty per cent of China's energy imports and Japan and Koreas oil supplies pass through these waters. Almost, fifty five per cent of India's trade with the Asia Pacific transits through the SCS to China, Japan, Korea and the United States. The economic potential and geopolitical importance of the SCS are the primary motivating factors for the surrounding countries to claim the islands and their resources. The bountiful fishing opportunities within the region are yet another motivating factor for the overlapping territorial claims in the SCS.

Recent Upsurge in Tension

In the past few years, aggressive maneuvers of the PLA maritime agencies in the SCS have resulted in the ASEAN countries adopting a more robust defense policy. Vietnam is in the process of acquiring six Russian Kilo-class submarines and a dozen Su-30MKK jet fighters equipped for maritime warfare. Malaysia has also paid more than \$1 billion for two diesel submarines from France. Indonesia too announced that it will acquire new submarines. Considering the strategic importance of the SCS, Australia has expressed willingness to buy or build nine more submarines and bolster its air force with 100 US-built F-35s.

As China seeks to intimidate her rivals into stopping oil exploration and mining in the area, other nations in turn have begun to protest vehemently against Beijing's military build-up in the region. Recently, Vietnam blamed China for deliberately sabotaging two Vietnamese exploration operations which led to the huge anti-China protests in Hanoi. Consequently, Hanoi held live-fire exercises off its coast, an act described by China as a grave provocation.

These skirmishes run counter to the spirit of the Declaration on the Conduct of Parties (2002) in the SCS, drawn up between the ASEAN countries and the People's Republic of China. Under the agreement, the countries had agreed to "resolve their territorial and jurisdictional disputes by peaceful means, without resorting to the threat or use of force, through friendly consultations and negotiations". But recent developments have negated the 'friendly tenor' that underpinned the agreed mechanism for conflict resolution.

There is also news that China is planning to deploy her first aircraft carrier in the SCS on a trials basis. Beijing seems to believe that deploying the aircraft carrier will act as a

deterrent to keep away the other nations eyeing the region. Beijing's showing off tactics or deploying aircraft carrier close to the SCS can only add to the tensions and arms race in the region.

Conclusion

China's recent acts in the SCS indicate that they are working on a 'revisionist agenda' in the region and trying to unilaterally change the status quo in the SCS. China's rising economic and military might could compel the ASEAN countries to rally together as well as to seek assistance from the United States' to balance China. As Beijing seeks to neutralize US presence in the region, the US appears to have become more assertive and keen to play a crucial role in the SCS dispute. In fact, the US has increased its maritime cooperation with regional countries, mainly concentrating on capacity-building with Vietnam and the Philippines. The US and the Philippines Navies held joint exercises in the SCS from June 28 to July 8, 2011. In an another move, the United States, Australia and Japan reportedly held a trilateral military exercise off the coast of Brunei in the SCS on July 9, 2011. These naval exercises do indicate the continuing US strategic stake in the region. In a joint press conference with the US Joint Chiefs of Staff, Admiral Mike Mullen on July 11, 2011 at Beijing, the China's Chief of the General Staff, General Chen Bingde underscored that the joint military exercises held by US in the SCS with Vietnam and Philippines were "extremely inappropriate" and Washington should respect Beijing's core interests. On the contrary, Mike Mullen reiterated that the US would continue to support its allies in the region.

The US posture has, in turn, raised tensions in the region as China warned its neighbours not to "play with fire". Further, Beijing believes that Washington is eyeing to control the Spratlys through Vietnam and the Philippines. If the territorial disputes relating to the SCS are not resolved soon to the satisfaction of all maritime stake holders including the littoral nations, heightened global tension might result. The forthcoming 18th ARF meeting to be held in Bali, Indonesia on 23 July 2011 could provide a useful opportunity to tone down the rhetoric and explore ways of reducing tensions in the SCS.
