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EDITOR'S NOTE

East Asia witnessed several important security, foreign policy, and politico-economic developments during May and June. The State Council Information Office released China's Military Strategy in May which underscores active defence and open seas protection. While Chinese reclamation work continues to intensify the South China Sea security landscape, the white paper made reference to "some outside countries...meddling in South China Sea affairs". The Chinese white paper has generated strong response from the region, especially from Japan whom it accused of evading "the post-war mechanism, overhauling its military and security policies". Meanwhile, Japan and Philippines strengthened their strategic partnership and agreed to initiate discussion for a visiting forces agreement which shall enable Japan to utilize Philippine bases for refueling aircraft and vessels. Additionally, the observers of the region noted regional dynamics being shaped by few trilateral frameworks including the first India-Japan-Australia dialogue and seventh US-India-Japan meeting where maritime security challenges were discussed.

In parallel developments, the region also witnessed attempts by regional actors to ease bilateral tensions for instance, South Korean Foreign Minister Yun Byung-se visited Japan, first time in four years, as the countries celebrate 50th anniversary of normalization of the bilateral relations. Moreover, the policymakers are reportedly discussing a possible Japan-South Korea summit meeting in September. Meanwhile, the China-Japan financial dialogue, and China-Japan defence minister's working-level talks were held in the month of June. The two countries engaged in discussing several issues in these two meetings including Asian infrastructure development and instituting a maritime communication mechanism to prevent accidental clashes in surrounding waters.

One of the key developments during this period is Prime Minister Modi's successful visit to China. This issue of the Monitor presents a brief overview of Chinese language media coverage of Prime Minister's trip to China. Additionally, a Chinese research scholar, Qian Zhang from the McGill University shared his perspective with the Monitor on the debate over Shuanggui in China. Furthermore, the key developments in China, Japan and the Korean Peninsula are captured by way of brief news items.

We look forward to comments and suggestions from our readers.

TITLI BASU

CHINESE LANGUAGE MEDIA COVERAGE ON MODI'S VISIT TO CHINA

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The Chinese language news media covered Indian Prime Minister Narendra Modi's visit to China in May 2015 extensively. However, unlike the Indian news media, which predominantly analysed possible outcomes of border negotiations between India and China as a factor in the bilateral visit, Chinese media focused on economic ties between the two countries. The overall coverage of the visit was positive. However, analysis stressed the complexity of the border negotiations thereby tempering expectations of any agreement on border. Many of them quoted foreign news media, especially Indian news reports to inform domestic audience of the latest developments. This is in line with Chinese news strategy of using foreign news snippets to feature speculations or critiques.

According to the Chinese media, the visit was successful as the two countries had achieved broad consensus and fruitful results. The signal to the world was that both countries could have 'pragmatic cooperation with practical actions'.¹ The visa facilitation policy was appreciated to be most effective for the bilateral relations as tourism was seen as a weak link between India and China. In trade relations, Modi's visit to Shanghai to the CEO's forum drew analyses about India's current economic need for investments.² Mostly, the theme of analyses reflected the position of the Chinese leadership especially about urging India to take advantage of the opportunities for closer economic partnership.³ One report identified 'strategic consensuses as the key, economic cooperation and cultural exchanges as the most important areas of cooperation'.⁴ While acknowledging that core concerns of India such as border disagreements and trade deficits have not been resolved, the prospects for cooperation were viewed as vaster than before.⁵

The *Study Times* captured this best providing the conceptual blueprint for the bilateral relationship through its phrase 'partners in development'. Many other news organisations had also taken the cue in viewing India-China relations this way. The *Study Times* report, while assessing the Indian foreign policy and its impact on the bilateral relations concluded that Modi's diplomacy has been about improving India's foreign relations to help economic growth. As a result, the increased bilateral interaction due to the influx of Chinese technology and investment was an extension of this change. Hence, the conceptual framework was to put India in the 'context of cooperation for the sake of development'.⁶ The increased economic opportunities had one report predict before the visit that both countries might sign visa facilitation policies, personnel exchanges, milestone trade and economic cooperation agreement.⁷

¹ "Modi's China Visit: What did India-China Relations Gain?", *Xinhua*, 15 May 2015, http://news.xinhuanet.com/world/2015-05/15/c_127806598.htm, accessed 10 June 2015

² "India and China Sign Deals Worth 22 Billion Dollars Cooperation Agreement" *Xinhua*, May 16 2015, <http://money.163.com/15/0517/08/APQ99J2I00253B0H.html>, accessed 10 June 2015

³ "Transcending India China Relations beyond the Bilateral Category", 18 May 2015, at http://world.huanqiu.com/hot/2015-05/6463951_2.html, accessed 10 June 2015

⁴ *ibid*

⁵ Zhang Quan, "Xi-Modi Meet: Promoting India – China Relations from Inches to Miles" *PLA Daily*, May 19, 2015 http://newspaper.jfdaily.com/jfrb/html/2015-05/19/content_95362.htm, accessed 10 June 2015

⁶ "India's Big Country Foreign Policy and China-India Relations", *Study Times*, May 19, 2015 http://theory.southcn.com/c/2015-05/19/content_124526893.htm, accessed June 10, 2015

⁷ Huang Ao, "Modi's China Visit Might Be Announced on May", March 26, 2015, http://epaper.dfdaily.com/dfzb/html/2015-03/26/content_974661.htm, accessed May 18, 2015

Though such opportunities are appreciated, several reports have brought to focus the challenges that the two countries faces in realising them. The lack of economic capabilities was cited as the most significant factor that seemed to dog the relationship. In particular, weakness in manufacturing capabilities leading to uneven export and import, problems of land usage for infrastructure investments are identified as some structural factors. The solution for China is to make use of labour resources in India and establish production bases, and investment in staff training through the funding of Asian Infrastructure Investment Bank.⁸ Especially, with respect to flow of business in India, the Chinese perspectives indicate that there are challenges for Chinese businesses. First, the lack of knowledge regarding the market due to cultural and regional differences in India is a significant factor for Chinese business. However, the need for outflow of Chinese capacity in particular in infrastructure and the pace of urbanisation in India is seen as advantageous for both countries to gain mileage out of their development.⁹ Secondly, to convince the Chinese enterprises to adjust and understand the market and develop a road map for investment is another task.

India's major concerns such as the lack of access to pharma industries in the Chinese market was discussed. In Chinese view, Indian companies might have challenges with the access to Chinese market due to its failure to fully comply with World Trade Organisation (WTO) agreements and Intellectual Property Rights (IPR). A brief mention was made as to the possibility of discussion regarding access to Indian pharmaceuticals companies to China to reduce the trade deficit.¹⁰ However, no such agreements were signed denoting that China was using the IPO framework to deny access to Indian companies. However, according to the report, they argue that enrolment and listing rules for drug companies are not India specific.¹¹

India's core interest of border question was also discussed in the news media. But the prognosis of any agreement with India on border question was not optimistic. One report quoted Zhao Gaocheng of Shanghai Institute for International Studies, who remained skeptical of a border clarification agreement. In fact, scholars such as Ye Hailin argued that the optimism from the Indian side was detrimental as the lack of agreement could lead to negative impact on the bilateral relationship. He cautioned that a strong government might not always indicate that border agreement could be possible any sooner as strong governments would not compromise easily.¹²

As mentioned earlier, the overall tone of analyses concentrated on the need for India and China to expand economic and trade relations. While contentious issues were acknowledged, the recommendation was to reduce its impact on the bilateral relations. An area for cooperation for India and China was expressed to be the China Silk Route project.

⁸ Ting Gang, "Promoting India-China Relations, Key Is Industrial Complementarities", *Huanqiu*, May 18, 2015, <http://opinion.huanqiu.com/1152/2015-05/6458868.html>, accessed May 18, 2015

⁹ Yi Pang, "To Improve the Meet the Long-Term Vision in India China Relations", *Haiwai Wang*, May 18, 2015, <http://opinion.haiwainet.cn/n/2015/0518/c345416-28747601.html>, accessed May 18, 2015

¹⁰ "Modi Announced Visit to China, India Hopes for China to Buy More Drugs To Reduce Trade Deficit", May 12, 2015, http://www.guancha.cn/Neighbors/2015_05_12_319179.shtml, accessed May 18, 2015

¹¹ *ibid*

¹² Ye Hailin, "What Has Been Said So Far About India-China Border Problem" May 18, 2015, at <http://comment.cfisnet.com/2015/0518/1301415.html>, accessed May 18, 2015

SHUANGGUI DEBATE

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Shuanggui, implying dual-designation, is argued to be a key term in understanding China's anti-corruption system and the party itself. Before the term became familiar to the ordinary Chinese people and later known to the world beyond Mainland China, it started as a jargon within the party's disciplinary branch. According to the Article 28 of the Communist Party of China's Disciplinary Unit's Working Regulation for Case Inspection, "... the inspection commission has the right...to demand the concerning person make explanation on particular questions at a designated time and [a designated] place..." In practice, those who are suspected of breaking party regulations, for example, bribery, would be taken away by the disciplinary personnel suddenly and during any occasion, for example, in the middle of a government conference. The suspects would be detained at a secret place and their contact to the outside world, including to their families, would be cut off completely. The detention ends only when the suspects are seen to have explained everything. There is no fixed period of time beyond which the suspects must be released, which causes the detention to last for months or even over a year sometimes. And there are reports every year that a few detainees commit suicide during the course of investigation.

This leads to the question on the effectiveness of anti-corruption measure: what is the legitimacy behind it? There are two views on this issue in the public discourse. One of them is that this is illegitimate. This view is widely held by foreign observers, especially in the West, who conclude from some of shuanggui's basic characteristics - detention without specification of the duration and deprivation of the suspects' rights to contact families and lawyers -violates "human rights". This assessment is further bolstered by the fact that the practice of shuanggui often appears to contradict what is stipulated in the Chinese Constitution. According to Article 37, "The citizens of People's Republic of China enjoy the inviolability of personal freedom. Illegal detention and any other form of illegal deprivation of citizens' personal freedom are prohibited." Because of these reasons, shuanggui is considered widely to be illegitimate. This popular view, indeed, also corresponds and contributes to the image of the Chinese government itself in the non-Chinese mass media being primarily an "authoritarian government", i.e. disrespecting individual rights and not genuinely practicing rule of law.

The alternative view sees shuanggui as legitimate. Admittedly, this is an unpopular or politically incorrect view, especially in the world beyond the PRC. But its underlying logic is worth examining, for it might help us understand the nature of the regime in Mainland China. While the people denouncing shuanggui largely base their evaluation on these clauses in various legal documents, people who recognize shuanggui tend to emphasize the similarity between shuanggui and the regulations in some organizations like military forces. This view reasons as follows. The moment one takes an oath of joining this party, he or she recognizes the legitimacy and power of those rules over oneself, and agree to be bound by them. In the same way a soldier should obey unconditionally the order from an officer, a CCP party member should follow without questioning the demand from his/her party. While the choice of joining the military service means recognizing the higher likelihood of getting injured or killed, i.e. a possible loss of right to live, choosing to be a CCP members means a consent to forfeit some aspects of one's individuality when required. The matter, therefore, transforms from a "human rights" issue into one of whether a person is justified to dishonor the special "contract" with the party. Under this logic, ironically, to disobey party investigation, shuanggui, becomes illegitimate. Indeed, the debate goes on, as people denouncing shuanggui would argue that the Chinese Constitution, from a legalist perspective, is the ultimate contract within the country, i.e. the contract of all contracts. Shuanggui is, therefore, still illegitimate, even by being imagined as the expression of a special contract.

So why this practice continue to be endorsed by China? One answer has always been that the regime is evil or inhuman in nature. Often the simplistic approach points at communism. Shuanggui needs to be understood from an internal perspective. Professor Yuzo Mizoguchi, who traced the historical evolution of basic norms in the Chinese society by successfully articulating the key concepts of “gong: public” and “si: private”. Among many of his inspiring conclusions is one that the success of communism in China could be seen as a reconfiguration of those socialist elements that had already existed in the fertile soil of traditional Chinese culture. While those Chinese emperors in ancient history made painstaking efforts to prove to its people that they embodied all the virtues, interestingly, similar requirements from the party expect its members to have higher standard of morality or personal conduct. Some of the “Eight Obligations” of party members, as set by the CCP’s party constitution, are worth highlighting in this regard: “Obligation Two: to act in the spirit of the party’s fundamental approach and various policies, to be among the first ones engaging in the Open and Reform and the Socialist Modernization Construction, to spur the mass to work hard and perseveringly for economic and social development, to be the vanguard and model in production, work, study, and social life. Obligation Three: to insist on the supremacy of the interests of the party and the people, to place personal interests below the interests of the party and the people, to be among the first ones who bear hardship, to be among the last ones who take pleasure...” A culturally-embedded tendency to have a higher moral standard on members of the ruling group, therefore, has apparently contributed to shrinking the realm of personal rights of the party members.

Therefore, shuanggui, as a converging point where China’s ancient traditions meet contemporary demands for effective anti-corruption measures, will likely continue to exist in future anti-corruption campaigns in China. Those who advocate particularly “universal human rights” would likely be disappointed and even infuriated, as China would likely use its own way to solve its own problems. For the PRC, its international image would continue to suffer, because of its rules like shuanggui which cannot be credited or recognized from an outsider perspective. To acknowledge and admit these culturally-bred tensions is argued to be one prerequisite to resolve peacefully big disagreements between world’s major countries.

TRACKING CHINA

Prime Minister Narendra Modi visits China

Prime Minister Narendra Modi paid a three-day visit to China starting on May 14-16, 2015. He reached the historic Chinese city of Xian, also President Xi Jinping's hometown. The two leaders held a delegation-level meeting in Xian. After Xian, Prime Minister went to Beijing on May 15, 2015, where Premier Li Keqiang received him at the Great Hall of People. Prime Minister Modi and Premier Li held a delegation level meeting in Beijing followed by a joint statement. Prime Minister Modi wrapped up his visit in Shanghai on May 16.

In China, Prime Minister Modi spoke on his dream of an interconnected Asia, which depends on the quality of India-China relations. He said that rising India and China will ensure that the 21st century becomes an Asian century. The visit saw signing of 24 bilateral agreements by the two countries. The agreements were generally for deepening people-to-people relations; for instance, the MOU between India's ICCR and China's Fudan University, MOU for establishing Yoga College in Kunming, and several MOUs for sister-city cooperation between various cities of the two countries. India agreed for e-visa to Chinese tourists and businessmen. In the economic field, the two countries signed MOUs for cooperation between India's NITI Aayog and China's Development Research Centre and between the two countries' railway administrations. The Prime Minister's visit facilitated signing of over 20 business deals for around \$ 22 billion. The setting up of the first Forum of Leaders of Regions was the contribution of Prime Minister Modi's visit. Prime Minister Modi and Premier Li chaired the inauguration of the forum. Prime Minister Modi took up several important issues including the Line of Actual Control (LAC) clarification, China's issuing of stapled visas to the Indians of Arunachal Pradesh and China's proposed investment in the Pakistan Occupied Kashmir with the Chinese leaders during his visit.¹

Weakness in the Chinese Economy

China's GDP growth has slowed to a 7.4 per cent in 2014 and the prediction for 2015 has been regarded at 7 per cent. China is now engaged in a series of measures to transform its economy from export and investment led to consumption based economy. For this to happen, the financial sector has to allocate capital to the entrepreneurs, especially small and medium-sized companies. The Chinese Premier Li Keqiang made a reference to this when he visited China Development Bank in Beijing on April 17, 2015. According to Xinhua, he stated that the institutions should reorient to solve financial problems for companies, high costs, and extending loan periods. His point was that "the country should guide more capital into the real economy to let both finance and the real economy share the benefits of development".² These measures are brought as the Chinese leadership admitted that the "downward pressures are increasing" on the Chinese economy.³

¹ "Joint Statement between the India and China during Prime Minister's visit to China", *The Ministry of External Affairs Government of India*, May 15, 2015 http://www.mea.gov.in/bilateral-documents.htm?dtl/25240/Joint_Statement_between_the_India_and_China_during_Prime_Ministers_visit_to_China accessed 17 July, 2015; "List of Agreements Signed during the Visit of Prime Minister to China", *The Ministry of External Affairs Government of India*, May 15, 2015, http://www.mea.gov.in/bilateral-documents.htm?dtl/25260/List_of_Agreements_signed_during_the_visit_of_Prime_Minister_to_China_May_15_2015 accessed 17 July, 2015; "Business MoU/ Agreements Signed at India- China Business Forum during PM's visit to Shanghai", *The Ministry of External Affairs Government of India*, May 16, 2015, at http://www.mea.gov.in/bilateral-documents.htm?dtl/25248/Business_MoU_Agreements_signed_at_India_China_Business_Forum_during_PMs_visit_to_Shanghai_May_16_2015 accessed 17 July, 2015

² "Premier: Financial Sector Should Support Real Economy", *Xinhua*, April 18, 2015 http://www.china.org.cn/business/2015-04/18/content_35355646.htm, accessed May 1 2015

³ Victoria Ruan, and Cary Huang, "Downward Pressure on China's Economy 'Increasing', Admits Premier Li Keqiang", *South China Morning Post*, April 15, 2015 <http://www.scmp.com/news/china/economy/article/1766615/pressure-chinas-economy-increasing-premier>, accessed May 1, 2015

In order to push growth, China announced slew of government measures to encourage innovation and job creation. In May 2015, China brought out tax breaks for business start-ups, easier access to loans for small enterprises that were brought on by the State Council through a circular named “Guidelines over Work on Employment and Entrepreneurship under New Situation”.⁴ Moreover, in an effort to further manage the slowing economy, China’s Central Bank announced interest rate cut in May with interest rates coming down to 2.25 per cent – encouraging monetary liberalization to ensure liquidity.⁵ In order to boost confidence, the Chinese media brought to attention the opinion of heavyweights such as the CEOs of Morgan Stanley and Director of Economics Department in the Organization for Economic Co-operation and Development (OECD) that the Chinese economy can successfully restructure into the “new normal” economy.⁶ The hope for the Chinese leadership is that apart from their domestic policies, the “Belt and Road Initiative” would help in boosting growth for China.⁷

China Releases Defence White Paper

China’s State Council Information Office released a white paper on 26 May 2015 titled, “China’s Military Strategy”.⁸ The white paper is significant as it is the first white paper to exclusively look at China’s military strategy. The white paper states winning local wars under conditions of informationization as the primary military struggle of the Chinese forces. According to the paper, the strategic guideline for the armed forces is active defence strategy. One of the important takeaways is that China will “shift its focus from “offshore waters defense” to the combination of “offshore waters defense” with “open seas protection,” and build a combined, multi-functional and efficient marine combat force structure”. The paper has also identified four critical security domains such as the seas and oceans, outer space, cyber space and nuclear force. The paper also touches upon civil – military integration in “joint building and utilization of military and civilian infrastructure, joint exploration of the sea, outer space and air, and shared use of such resources as surveying and mapping, navigation, meteorology and frequency spectra”.

Chinese Actions in the South China Sea

Satellite imagery confirms the progress of Chinese actions in the South China Sea such as reclaiming island at the Cuarteron, Fiery Cross, Gaven, Hughes, Subi, and the Union reefs.⁹ This includes turning submerged reefs into airstrips and creating dry lands in artificial islands. Moreover, China announced that it would construct two lighthouses on Huayang Reef and Chigua Reef in Spratly Islands “to enhance the civil aids to navigation capacity in the waters of Nansha Islands”.¹⁰ These developments have intensified the situation in South China Sea as it is claimed by multiple states. The United States urged China to stop these projects and has closely monitored the developments in the islands through surveillance. China has in turn cautioned the US and Southeast Asian

⁴ “China Unveils Measures to Shore Up Job Market”, 1 May 2015, *Xinhua* http://news.xinhuanet.com/english/2015-05/01/c_134201658.htm, accessed 1 May 2015

⁵ “China Cuts Interest Rates to Boost Real Economy”, *Xinhua*, May 10, 2015, http://news.xinhuanet.com/english/2015-05/10/c_134226742.htm, accessed May 20, 2015

⁶ “Chinese Economy Can Achieve “soft landing”, OECD Report”, *Xinhua*, June 3, 2015 http://news.xinhuanet.com/english/2015-06/03/c_134295023.htm and “Morgan Stanley CEO Upbeat on Chinese Economy”, *Xinhua*, 29 May 2015, http://news.xinhuanet.com/english/2015-05/29/c_134282322.htm, accessed June 10, 2015

⁷ “Belt and Road Initiative a Boost to China, Regional Economy”, *Xinhua*, April 26 2015 http://news.xinhuanet.com/english/2015-04/26/c_134186100.htm, accessed May 1, 2015

⁸ “Full Text: China’s Military Strategy”, *Xinhua*, May 26, 2015 http://eng.mod.gov.cn/Press/2015-05/26/content_4586805.htm accessed June 10, 2015

⁹ Victor Robert Lee, “South China Sea: China’s Unprecedented Spratlys Building Program”, *The Diplomat*, April 25, 2015, <http://thediplomat.com/2015/04/south-china-sea-chinas-unprecedented-spratlys-building-program/>, accessed May 1, 2015

¹⁰ “China to Construct Two Large Lighthouses in the South China Sea”, *Xinhua*, May 26, 2015 http://news.xinhuanet.com/english/2015-05/26/c_134271434.htm, accessed June 10, 2015

countries not to deepen the conflict.¹¹ On May 26, 2015, Xinhua issued a commentary warning Philippines not to involve the US in the South China Sea conflict. It stated that Philippines actions are “irresponsible and counterproductive” and “should understand that acting like a crying baby and begging for support from the United States and some other countries would never help solve the issue, which should and could be properly handled only by the parties directly concerned”.¹²

In addition to Philippines, Xinhua has also issued another commentary urging Japan not to involve itself over South China Sea to divert the attention from tensions in the East China Sea. It stated that “Japan’s move, which would only stoke tensions and jeopardize regional stability, seems especially inappropriate and unwise at a time when China is strengthening efforts for solving maritime territorial disputes peacefully through friendly negotiations with countries concerned”.¹³ Moreover, one Xinhua commentary portrayed the US actions such as maritime surveillance as “dangerous and irresponsible move that may lead to miscalculation and untoward incidents”. In Chinese view, the US is using South China Sea as a pretext to ensure its hegemony in the region. For China, the US should not intervene in island construction as it is designed for “facilitating service for marine search and rescue, disaster prevention and reduction, and navigation safety”.¹⁴ This is because the US has been critical about China’s actions in the South China Sea. The US Defence Chief Ash Carter stated that the US is concerned about “pace and scope of land reclamation in the South China Sea, the prospect of further militarization, as well as the potential for these activities. . . .with its actions in the South China Sea, China is out of step with both the international rules and norms that underscore the Asia-Pacific’s security architecture, and the regional consensus that favors diplomacy and opposes coercion”.¹⁵ China did not take kindly to the US statements. Chinese Foreign Ministry issued a denial that there is an issue of freedom of navigation that arises due to Chinese actions. The spokesperson Hua Chunying gave a lengthy rebuttal to US remarks stating that China respects international law and is carrying out international responsibilities and obligations.¹⁶

Moreover, China sought to explain its policies in South China Sea. During the Shangri-La Dialogue in Singapore on May 31, 2015, the deputy Chief of Staff of China’s People’s Liberation Army (PLA), Admiral Sun Jianguo stated that “in spite of the sufficient historical and legal evidence. . . China has exercised enormous restraint, making positive contributions to peace and stability of the region and the world at large. . . there are no changes in China’s claims in the South China Sea, no changes in China’s position on peaceful resolution of the relevant disputes through negotiation and consultation, no changes in China’s will to safeguard the freedom and safety of navigation in the South China Sea, and no changes in China’s goal to uphold peace and stability in the South China Sea.”.¹⁷ The US has responded through sending military aircrafts for what it calls as ‘freedom of navigation

¹¹ “Stop Fearmongering over South China Sea”, *Xinhua*, April 16 2015 http://news.xinhuanet.com/english/2015-04/16/c_134157325.htm, accessed June 10, 2015

¹² “Manila Will Not Benefit From Playing With Fire Over South China Sea”, *Xinhua*, May 26, 2015 http://news.xinhuanet.com/english/2015-05/26/c_134271765.htm, accessed June 10, 2015

¹³ “Japan’s Meddling in South China Sea at Wrong time, Wrong Place”, *Xinhua*, April 17, 2015 http://news.xinhuanet.com/english/2015-04/17/c_134160089.htm accessed June 10, 2015

¹⁴ Sun Ruijin, “U.S. Meddling in South China Sea Unjustified, Unprofitable”, *Xinhua*, May 28, 2015 http://news.xinhuanet.com/english/2015-05/28/c_134278523.htm, accessed June 10, 2015

¹⁵ “Secretary of Defense Speech”, *IJSS-Shangri La Dialogue*, May 30, 2015 <http://www.defense.gov/Speeches/Speech.aspx?SpeechID=1945> accessed June 10, 2015

¹⁶ “Foreign Ministry Spokesperson Hua Chunying’s Remarks on US Defense Secretary Carter’s Speech Relating to the Issue of the South China Sea at the Shangri-La Dialogue”, *Ministry of Foreign Affairs of The Peoples Republic of China*, May 30, 2015 http://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/t1268781.shtml accessed June 10, 2015

¹⁷ “China Committed to Upholding Peace, Stability in South China Sea”, *Xinhua*, June 1 2015 http://news.xinhuanet.com/english/2015-06/01/c_134285794.htm, accessed June 10, 2015

operations'. A US Surveillance plane P8-A conducted over flights and was warned by the Chinese navy to leave the Chinese airspace.

China-Africa relations

President Xi Jinping met with Zimbabwean President Robert Mugabe at Jakarta. Presidents Xi and Mugabe deliberated on the progress of China-Africa relations and acknowledged Chinese contribution in Zimbabwe's economic development. This year the two countries are celebrating 35th anniversary of establishment of diplomatic relations.¹⁸ Meanwhile, China and African Union held their sixth China-African Union (AU) Strategic Dialogue at the AU headquarters in Addis Ababa, Ethiopia. Vice Foreign Minister Zhang Ming and Chairperson Nkosazana Dlamini-Zuma of the AU Commission co-chaired the dialogue. The two sides deliberated to further deepening their engagement from 'a strategic and long-term perspective'.¹⁹ Additionally, one report suggested China may be building a naval base in Namibia's deep water port in Walvis Bay in South Atlantic. If the report is true, the base would enable China to keep surveillance in the region between Europe and Africa on one hand and North and South America on the other.²⁰

China-Europe deepens cooperation

China and Hungary signed a MoU on Jointly Promoting the Construction of the Silk Road Economic Belt and the 21st Century Maritime Silk Road on 6 June 2015 in Budapest during Foreign Minister Wang Yi's visit. The agreement was described the first of its kind by China with a European country. On this occasion, the Belt and Road cooperation between the two countries will produce convergence between China's speeding 'opening-up to the west' with Hungary's new 'opening to the East' policy.²¹ Besides, China and the UK exchanged their ideas at the eighth round of China-UK consultation on African affairs in London on 20 May 2015. The subjects discussed were 'African peace and security, respective policy toward Africa, third-party cooperation between China and the UK in Africa and others.'²²

China and the EU co-organized the fifth round of China-EU high-level strategic dialogue in Beijing on 5 May, 2015. State Councilor Yang Jiechi and Federica Mogherini, High Representative of the European Union (EU) for Foreign Affairs co-chaired the dialogue. As the year 2015 marks the 70th anniversary of the allied victory in the World War II, the memories of this historic episode figured in the discussion. The EU side acknowledged the role China played in the allied victory.²³ Moreover, China and the EU held a consultation on Middle East Affairs

¹⁸ "Xi Jinping Meets with President Robert Mugabe of Zimbabwe", *Ministry of Foreign Affairs of The Peoples Republic of China*, April 23, 2015 http://www.fmprc.gov.cn/mfa_eng/wjb_663304/zjzg_663340/fzs_663828/xwlb_663830/t1258687.shtml accessed 30 June 2015

¹⁹ "Sixth China-African Union Strategic Dialogue Held", *Ministry of Foreign Affairs of The Peoples Republic of China*, May 16, 2015 http://www.fmprc.gov.cn/mfa_eng/wjb_663304/zjzg_663340/fzs_663828/xwlb_663830/t1265421.shtml accessed 30 June 2015

²⁰ Robert C. O'Brien, "China's Next Move: A Naval Base in the South Atlantic?", *Real Clear Defence*, March 25, 2015, at http://www.realcleardefense.com/articles/2015/03/25/chinas_next_move_a_naval_base_in_the_south_atlantic_107803.html accessed 30 June 2015; Shannon Tiezzi, "Is China Secretly Building a Navy Base in Africa?", *The Diplomat*, 28 March 2015, at <http://thediplomat.com/2015/03/is-china-secretly-building-a-navy-base-in-africa/> accessed 30 June 2015.

²¹ "China and Hungary Sign Cooperation Document on Belt and Road", *Ministry of Foreign Affairs of The Peoples Republic of China*, June 7, 2015, http://www.fmprc.gov.cn/mfa_eng/wjb_663304/zjzg_663340/xos_664404/xwlb_664406/t1272109.shtml accessed 30 June 2015

²² "China and UK Hold Consultations on African Affairs", *Ministry of Foreign Affairs of The Peoples Republic of China*, May 25, 2015, http://www.fmprc.gov.cn/mfa_eng/wjb_663304/zjzg_663340/xos_664404/xwlb_664406/t1267321.shtml accessed 30 June 2015

²³ "China and the EU Hold the 5th Round of High-level Strategic Dialogue", *Ministry of Foreign Affairs of The Peoples Republic of China*, May 6, 2015, http://www.fmprc.gov.cn/mfa_eng/wjb_663304/zjzg_663340/xos_664404/xwlb_664406/t1263215.shtml accessed June 30, 2015

in Beijing on 30 May 2015. The issues discussed included the situation in Libya, Yemen, Iran, Syria, Palestine and Israel. The two sides were represented by Deng Li, Director-General of the Department of West Asia, and Christian Berger, North African Affairs of the Foreign Ministry and Director for Middle East and North Africa of the European External Action Service of the EU.²⁴

China and Latin America Relations

Premier Li Keqiang visited Brazil, Columbia, Peru and Chile from 18-26 May 2015. During his visit to Brazil, the leadership decided to improve cooperation in production capacity. Premier Li viewed that with Chinese help Brazil would be able to 'speed up its infrastructure construction, reduce cost, create jobs and achieve mutual benefit and win-win results.' On a strategic plane, he also supported 'a bigger role of Brazil in international affairs.'²⁵ In Colombia, Premier Li invited the country to benefit from China's expertise in 'infrastructure construction and equipment manufacturing.' He said that China is willing 'to set up plants in Colombia to produce iron and steel, construction materials and engineering equipment according to the needs of the Colombian side' which will help Colombia 'reduce cost and expand employment.'²⁶

In Peru, Premier Li Keqiang talked of benefits of China, Brazil and Peru's proposed joint feasibility study on the 'Two-Ocean Railway'. He conveyed to Peruvian side that Peru and the region are welcome to benefit from China's rich technological expertise in railways.²⁷ Li Keqiang's Chile visit saw 'new breakthroughs have been made in China-Chile financial cooperation'. The new breakthroughs included an agreement on currency swap, agreement on avoidance of double taxation, China granting Chile 'a Qualified Foreign Institutional Investors (RQFII) quota of 50 billion Yuan', and Chile granting exemption to Chinese tourists of visa application fee and agreeing to 'facilitate visa application for Chinese citizens like businessmen.' After the currency swap deal, Santiago in Chile would become the first city in Latin America 'to have a RMB clearing bank.'²⁸ Separately, Premier Li Keqiang also delivered a speech at the UN Economic Commission for Latin America and the Caribbean (UNECLAC) in Santiago on 25 May 2015. In the speech, he expressed similar ideas of mutual cooperation and appealed to Latin America to benefit from China's excess production capacities.²⁹

In his media briefing about the Premier's visit, Foreign Minister Wang Yi described that this visit aimed at 'finding new paths for China-Latin America cooperation', opening up of 'new prospects for South-South cooperation' and exploring 'new approaches for South-North cooperation.' He argued while Latin American countries want

²⁴ "China and EU Hold Consultations on Middle East Affairs", *Ministry of Foreign Affairs of The Peoples Republic of China*, June 1, 2015, http://www.fmprc.gov.cn/mfa_eng/wjb_663304/zjzg_663340/xos_664404/xwlb_664406/t1269899.shtml accessed June 30, 2015

²⁵ "Li Keqiang and President Dilma Rousseff of Brazil Hold a Joint Press Conference, Stressing to Pave a New Path in Production Capacity Cooperation Featuring Mutual Benefit and Win-Win Results", *Ministry of Foreign Affairs of The Peoples Republic of China*, May 20, 2015, http://www.fmprc.gov.cn/mfa_eng/topics_665678/lkqdbxglbyblzljxzsfcw/t1266055.shtml accessed June 30, 2015

²⁶ "Li Keqiang and President Juan Manuel Santos of Colombia Meet the Press Together", *Ministry of Foreign Affairs of The Peoples Republic of China*, 22 May 2015, at http://www.fmprc.gov.cn/mfa_eng/topics_665678/lkqdbxglbyblzljxzsfcw/t1266897.shtml accessed June 30, 2015

²⁷ "Li Keqiang and President Ollanta Humala Tasso of Peru Together Meet the Press", *Ministry of Foreign Affairs of The Peoples Republic of China*, May 23, 2015, http://www.fmprc.gov.cn/mfa_eng/topics_665678/lkqdbxglbyblzljxzsfcw/t1266905.shtml accessed 30 June 2015

²⁸ "Li Keqiang and President Verónica Michelle Bachelet Jeria of Chile Jointly Meet the Press", *Ministry of Foreign Affairs of The Peoples Republic of China*, May 26, 2015 http://www.fmprc.gov.cn/mfa_eng/topics_665678/lkqdbxglbyblzljxzsfcw/t1267311.shtml accessed 30 June 2015

²⁹ "Li Keqiang Delivers an Important Speech at the UNECLAC, Stressing to Jointly Blaze a New Path for China-Latin America Comprehensive Cooperative Partnership", *Ministry of Foreign Affairs of The Peoples Republic of China*, May 26, 2015, http://www.fmprc.gov.cn/mfa_eng/topics_665678/lkqdbxglbyblzljxzsfcw/t1267647.shtml accessed 30 June 2015

to diversify 'economic development and speeding up the industrialization process', China wants to export 'its large number of advantageous production capacity and equipment.'³⁰ The analysis of the visit clearly underlines that the nature of China's expectations from Latin America is primarily economic. China looks towards Latin America as a geography that can absorb its excess capacities. In the backdrop of the visit, the official Chinese media sought to alleviate concerns about strategic implications of deepening China-Latin America relations for the US arguing that Chinese does not have intention to 'undercut' the US in Latin America, and its interests are only economic.³¹

Zhou Yongkang sentenced to life imprisonment

Former member of the Politburo Standing Committee and China's Internal Security Minister Zhou Yongkang was sentenced to life in prison in June 2015.³² Zhou has been charged with bribery, abuse of power and leaking state secrets. Zhou had been under investigation since late 2013 and was arrested in December 2014. Along with Zhou, many of his relatives and former associates from his previous appointment have also been under investigation. Bribery and corruption charges have been the most significant part of his verdict. Significantly, interior ministry under Zhou had bigger budget than China's defence ministry. It is expected that China's anti-corruption campaign will slow down after the verdict on Zhou. Many incidents of suicides by mid-level party and government officials have been linked to the ongoing anti-corruption campaign. Also, decision making delays have led to economic slowdown as officials are seen to be avoiding decisions without due diligence. It also gives rise to the belief that the anti-corruption campaign is politically motivated.

China busted terror Gangs in Xinjiang

In the anti-terror campaign, China reportedly busted terror Gangs in Xinjiang, China's restive northwestern province. Officials claim to have busted 181 "terror-gangs" so far³³. The last two years have been most violent in Xinjiang's history of troubled Uyghur-Han relations with more than 150 deaths in nearly 20 incidents according to official statistics. Gangs and their act of violence appear to be localized ones and not terrorism in conventional sense of the term. Most of the incidents of terrorism in Xinjiang have involved knife attacks indicating the localized source of conflicts and insecurities among the perpetrators. China's relations with the Uyghurs have been tense since the 2009 riots and repeated calls for healthy eating during the holy month of Ramazan do not help the state's cause.

CASS Article slams Senior American Sinologists

One recent article published by the Chinese Academy of Social Sciences criticised American scholars including Jim Milward and Mark Elliot for an article on Qing history and the territoriality question.³⁴ Milward's article had presented an alterlate history of the Qing Dynasty which stood in contrast with the official version supported by

³⁰ "Wang Yi: Premier Li Keqiang's visit to Latin America Is of Far-reaching Significance to China-Latin America Cooperation, South-South Cooperation and South-North Cooperation" *Ministry of Foreign Affairs of The Peoples Republic of China*, May 28, 2015 http://www.fmprc.gov.cn/mfa_eng/topics_665678/1kqdbxglbyblzjxzsfw/t1269007.shtml accessed 30 June 2015

³¹ "Commentary: China-Latin America Cooperation not to Undercut US Interests", *Xinhua*, May 17, 2015, at http://news.xinhuanet.com/english/2015-05/17/c_134245564.htm accessed 30 June 2015

³² "China's Former Security Chief Zhou Yongkang Sentenced to Life in Prison", *The Wall Street Journal*, June 11, 2015 <http://www.wsj.com/articles/chinas-former-security-chief-zhou-yongkang-sentenced-to-life-in-prison-1434018450> accessed 30 June 2015

³³ "China arrests 181 groups in Xinjiang anti-terror campaign, state media reports", *Shanghaiist* May 25, 2015 <http://shanghaiist.com/2015/05/25/china-arrests-181-groups-anti-terror-campaign.php> accessed 30 June 2015

³⁴ "A righteous view of history", *China Media Project*, <http://cmp.hku.hk/2015/04/22/38664/> accessed 30 June 2015

the CPC. What many noted about the critical article that it was vitriolic in nature calling names using phrases like “arrogant”, “overbearing” and “imperialist” and dismissed the work as being “academically absurd”. What is significant is that the language is seen as being one used during the Cultural Revolution. Additionally, even other Chinese scholars have dismissed the CASS article as being non-academic and of being little value in the debate. Chinese nationalism has tended to be based on anti-western ideas and has resisted alternative interpretations of its history. Such attack on American scholarship could lead to further popular anti-western nationalism in China which had subsided since 2013.

TRACKING MONGOLIA

Prime Minister Modi’s Visit to Mongolia

At present, Mongolia is seeking to expand its foreign relations with countries other than China and Russia under the policy of “Third Neighbour”. Narendra Modi’s visit was first by an Indian Prime Minister and it is the highpoint of the Act East policy followed by the present government. Modi’s visit also marked the 60 years of diplomatic relations between India and Mongolia and 25 years of Mongolian Democracy. Prime Minister’s speech at the parliament referred to this fact more than once. He stressed that ‘convergence of Buddhism and democracy provides a path to build an Asia of peace and cooperation, harmony and equality’³⁵. Energy is one of the biggest drivers for India-Mongolia relations and Prime Minister Modi hoped that ‘location will not be a constraint on Mongolia’s right to choose its partners’. Besides, he handed over the Bhabhatron equipment that can help treat cancer to Mongolia’s public hospital. India also increased the Indian Technical & Economic Cooperation Programme (ITEC) training slots for Mongolia from 150 to 200. PM announced the project to establish an India-Mongolia Joint School. India will help establish a cyber-security centre in Mongolia’s defence and security establishment. India also announced a line of credit worth \$1 billion for expansion of economic activity and infrastructure. Just prior to PM visit India also signed MoUs for enhancing cooperation on border guarding, surveillance and policing. India-Mongolia trade is at modest \$35 million as of 2013-14. India was the first country to recognise Mongolia apart from the Soviet Bloc.

TRACKING JAPAN

Japan and China held financial dialogue in Beijing

The first Japan-China financial dialogue was held on 6 June in Beijing after three years³⁶ where Japanese Finance Minister Taro Aso and his Chinese counterpart Lou Jiwei decided to cooperate towards facilitating Asian infrastructure development. Besides, both leaders discussed the challenges of the international economy, tax and fiscal systems, the threats posed by unstable commodity prices and economic policy spill over of the developed economies. The last financial dialogue between Japan and China was held in April 2012 and subsequently it was suspended following the escalation of tensions in the bilateral relations. The next round of Japan-China financial dialogue is scheduled to be hosted in Tokyo in 2016. While the two leaders discussed on Asian infrastructure development, it is unclear if they exchanged views on the China led AIIB project.³⁷ Besides, during this visit Aso

³⁵ “Text of Remarks by Prime Minister in the Mongolian Parliament”, *Press Information Bureau Government of India Prime Minister’s Office*, May 17, 2015 <http://pib.nic.in/newsite/PrintRelease.aspx?relid=121802> accessed on June 30, 2015

³⁶ “Japan, China hold 1st financial dialogue in 3 yrs”, *NHK*, June 6, 2015 http://www3.nhk.or.jp/nhkworld/english/news/20150606_29.html accessed on June 30, 2015

³⁷ “China, Japan hold finance talks stalled amid tensions”, *The Asahi Shimbun*, June 7 2015 http://ajw.asahi.com/article/behind_news/politics/AJ201506070024 accessed on June 30, 2015

met Vice-Premier *Zhang Gaoli* in Beijing and both agreed that China and Japan will carry on dialogue at different levels and strengthen mutual trust.³⁸

Japan and China agree to cooperate on maritime communication mechanism

On 19 June at the defence minister's working-level talks held in Beijing, Japan and China agreed to step up the course of instituting the maritime communication mechanism. The objective is to prevent accidental clashes in surrounding waters. At the working-level talks, Japanese and Chinese defense ministries reportedly have arrived at a shared understanding on technical difficulties of the scheduled mechanism. Moreover, other issues including agreement on communicating in English in case of an emergency and establishing hotlines connecting the chiefs of their naval and air forces³⁹ were discussed.

Japan and Philippines deepen strategic partnership

On 4 June, Prime Minister Shinzo Abe and President Benigno S. Aquino III held summit meeting in Tokyo. Both leaders accepted that Japan-Philippines relation has entered the stage of Strengthened Strategic Partnership and agreed to start talks on concluding an agreement on the transfer of defense equipment and technology. Japan has agreed to help Philippines Coast Guard in increasing Maritime Domain Awareness.⁴⁰ Reports indicate that both leaders agreed to initiate discussion on a "visiting forces agreement" that will permit Japan to utilize Philippine bases for refueling aircraft and vessels. Such a development at a time when Japan is reportedly deliberating on conducting joint air patrols with the US forces given the critical regional maritime security concerns is noteworthy. Philippines presently have such agreements with the US and Australia.⁴¹

Furthermore, to facilitate bilateral trade and investment, Japan decided to implement "Cooperation Roadmap for Quality Infrastructure Development in the Transport Sector in Metropolitan Manila Area". Japan demonstrated its support for the North-South Commuter Railway project and also agreed to give ¥34 billion for the Metro Manila Priority Bridges Seismic Improvement Project and the Project for Davao City Bypass Construction.

In a separate development, Japan and Philippines held military exercise at the Antonio Bautista Air Base in the Palawan Island from June 22-24. Palawan is situated nearby the contested Spratlys Island. Earlier, Japan and Philippines held naval drills in May in West Philippine Sea near the Panatag. Japan reportedly dispatched a P3 surveillance aircraft for the exercises⁴². The drill focused on maritime search and rescue operations, humanitarian assistance and disaster response⁴³.

³⁸ "Japan, China finance chief agree to promote infrastructure development in Asia", *Kyodo*, June 6, 2015 <http://www.japantimes.co.jp/news/2015/06/06/business/japan-china-finance-chief-agree-to-promote-infrastructure-development-in-asia/#.VXQ9LUZbhgB> accessed on June 30, 2015

³⁹ "Japan, China agree on early setup of maritime communication system", *Kyodo*, June 19, 2015 <http://english.kyodonews.jp/news/2015/06/359266.html> accessed on June 30, 2015

⁴⁰ "President of Philippines Visits Japan, (June 2 - 4, 2015)", *Ministry of Foreign Affairs of Japan*, June 4, 2015 http://www.mofa.go.jp/s_sa/sea2/ph/page3e_000344.html accessed on June 30, 2015

⁴¹ Masaaki Kameda, "Tokyo, Manila eye 'visiting forces' pact to rein in China", *The Japan Times*, June 5 2015 <http://www.japantimes.co.jp/news/2015/06/05/national/politics-diplomacy/japan-will-help-boost-philippine-coast-guard-abe/#.VXRASEZbhgB> accessed on June 30, 2015

⁴² "PH starts war games with US, Japan today", *The Philippine Star*, June 22, 2015 <http://www.philstar.com/headlines/2015/06/22/1468599/phi-starts-war-games-us-japan-today> accessed on June 30, 2015

⁴³ "Philippines to Hold Military Exercises with US, Japan", *The Diplomat*, June 19, 2015 <http://thediplomat.com/2015/06/philippines-to-hold-military-exercises-with-us-japan/> accessed on June 30, 2015

Japan and Australia strengthens defence cooperation

Japan-Australia defence ministerial meeting was held on June 3 in Tokyo. Australian Defense Minister Kevin Andrews and his Japanese counterpart Nakatani decided to boost defense ties through better cooperation on a range of issues including the submarine deal replacing the Collins-class submarines with Japanese Soryu class submarines and the South China Sea reclamation work by China. Both leaders underlined that Japan and Australia is against any unilateral attempts to alter the status quo through the use of force. Additionally, Japan updated Australia on the revised US-Japan defense cooperation guidelines along with the Japanese security bill expanding the scope of SDF operations overseas.⁴⁴

In a separate development, about 40 Japanese Ground Self-Defense Force personnel, for the first time, took part in the US-Australia Talisman Sabre exercise. The exercise was scheduled from July 4-19 in the Northern Territory and Queensland.⁴⁵ Japan's presence in the exercise is reflective of the deepening security relations between Australia and Japan. This growing cooperation among US's regional allies is often perceived in the context of Chinese activities in the South China Sea. However, the Chinese foreign ministry stated that while China is not anxious if the military drill is targeted at China but hopes "that relevant countries should play a positive and constructive role in enhancing mutual trust and cooperation between regional countries".⁴⁶

Japan defines its environmental commitments

Japan committed to ease GHG emissions by 26 per cent from 2013 levels by the year 2030. Prime Minister Abe will present it to the UN in July. Japanese leadership argued that the reduction goal is internationally comparable and ambitious and involves tangible actions and technologies. However, the environmental campaigners perceive the set target as insufficient. Japan intends to reduce emissions equal to approximately 1.04 billion tons of CO₂ in 2030.⁴⁷

First trilateral talks held between India-Japan-Australia

On June 8, India hosted the first India-Japan-Australia trilateral dialogue focussing on maritime security including freedom of navigation and cooperation in the Indian Ocean and the Pacific. The first trilateral meeting was attended by Indian foreign secretary S Jaishankar, vice foreign minister of Japan Akitaka Saiki and Australian secretary of the Department of Foreign Affairs and Trade Peter Varghese. Reports suggest that a joint trilateral exercise is likely and initial discussions have happened. Furthermore, they discussed the prospects of economic cooperation.⁴⁸ The second trilateral dialogue will be hosted by Japan. While South China Sea developments were

⁴⁴ Masaaki Kameda, "Japan, Australia defense ministers pledge to boost cooperation", *The Japan Times*, June 4, 2015 <http://www.japantimes.co.jp/news/2015/06/04/national/politics-diplomacy/japan-australia-defense-ministers-pledge-to-boost-cooperation/#.VXUS91K6a1t> accessed on June 30, 2015

⁴⁵ "Japan joins U.S.-Australia war games amid growing tensions with China", *AFP-JIJI*, July 5, 2015 <http://www.japantimes.co.jp/news/2015/07/05/national/politics-diplomacy/japan-joins-u-s-australia-war-games-amid-growing-tensions-china/#.VZIBHEZbhgB> accessed on June 30, 2015

⁴⁶ "Foreign Ministry Spokesperson Hua Chunying's Regular Press Conference on May 26, 2015", *Ministry of Foreign Affairs of People's Republic of China*, May 26, 2015 http://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/t1267054.shtml accessed on June 30, 2015

⁴⁷ "Japan aims to cut greenhouse gas emissions by 26% by 2030", *Kyodo*, June 2 2015 <http://asia.nikkei.com/Politics-Economy/Policy-Politics/Japan-aims-to-cut-greenhouse-gas-emissions-by-26-by-2030> accessed on June 30, 2015

⁴⁸ Prashanth Parameswaran, "India, Australia, Japan Hold First Ever Trilateral Dialogue, Inaugural high-level meeting held in New Delhi", *The Diplomat*, 9 June, 2015 <http://thediplomat.com/2015/06/india-australia-japan-hold-first-ever-trilateral-dialogue/> accessed on June 30, 2015

reportedly discussed during the meeting, Peter Varghese asserted that the trilateral should not be perceived to be targeted at China.⁴⁹

Prime Minister Shinzo Abe attends G-7

Japanese Prime Minister Shinzo Abe attended the G-7 summit in Germany from 7-8 June. Japanese media reports suggest that in the G-7 meeting, Prime Minister Abe “led”⁵⁰ the discussions with regard to Chinese behavior in South China Sea. During the working dinner, Prime Minister Abe supposedly emphasized that the G-7 countries must take note of Chinese endeavor to unilaterally alter the status quo. Nevertheless, there was a differing sense of urgency vis-à-vis the issue between Japan and Britain, Germany, France and Italy. Even so, the G-7 Summit Leader’s Declaration referred to the tensions in the East and South China Seas and focused on the importance of peaceful resolution of disputes and opposed “the use of intimidation, coercion or force, as well as any unilateral actions that seek to change the status quo, such as large scale land reclamation”⁵¹

Additionally, Abe held summit meetings with France, Germany, and Italy on June 7 and UK on June 8. Prime Minister Abe was engaged in garnering support for his expected summit meeting with Russia which is essential for negotiations over the Northern Territories.

Japan and South Korea celebrates 50th anniversary of normalisation of bilateral relations

South Korean Foreign Minister Yun Byung-se visited Tokyo on June 21 to hold Foreign Minister’s meeting with his Japanese counterpart Fumio Kishida as the two countries celebrates 50th anniversary of normalization of the bilateral relations. During his meeting with the Japanese Foreign Minister, Yun discussed several bilateral issues including Japan-South Korea cooperation on security and economic issues, challenges emanating from North Korea, other regional issues including the South China Sea.⁵² This South Korean foreign minister’s visit to Japan is the first in four years. Moreover, the ministers reportedly discussed the sensitive issue of comfort women, Japanese efforts in getting the World Heritage status for a group of industrial sites, import ban on Fukushima marine products by South Korean administration and the prospects of an Abe-Park summit meeting⁵³. Besides, several Japanese and South Korean experts including members of parliament, academics and former ambassadors participated in a conference aimed at strengthening Japan-South Korea relations⁵⁴.

Seventh US-India-Japan trilateral dialogue held in Honolulu

On June 26, the seventh US-India-Japan trilateral dialogue was held in Honolulu. The officials discussed quite a few issues for instance multilateral institutions in Asia-Pacific, maritime security challenges, humanitarian assistance and disaster relief. India was represented by Vinay Kwatra, Pradeep Rawat, and Amandeep Gill from the Ministry of External Affairs. Takio Yamada, Director-General of Southeast and Southwest Asian Affairs of the Ministry of Foreign Affairs of Japan attended the meeting. Assistant Secretary of State for South and Central Asian

⁴⁹ Suhasini Haidar, “India-Japan-Australia forum not anti-China: Peter Varghese”, *The Hindu*, June 9, 2015 <http://www.thehindu.com/news/national/chinas-actions-cause-for-concern-australia/article7295709.ece> accessed on June 30, 2015

⁵⁰ Kentaro Nakajima and Yoshikazu Shirakawa, “Japan led G-7 discussion about sea disputes”, *The Japan News*, June 10, 2015 <http://www.the-japan-news.com/news/article/0002208828> accessed on June 30, 2015

⁵¹ “Leaders Declaration G7 Summit 7-8 June 2015”, *Ministry of Foreign Affairs of Japan*, June 2015, <http://www.mofa.go.jp/files/000084020.pdf> accessed on June 30, 2015

⁵² “Japan-ROK Foreign Ministers’ Meeting”, *The Ministry of Foreign Affairs of Japan*, June 21, 2015 http://www.mofa.go.jp/a_o/na/kr/page3e_000350.html accessed on June 30, 2015

⁵³ “Kishida, Yun start talks in Tokyo”, *NHK*, June 21, 2015 http://www3.nhk.or.jp/nhkworld/english/news/20150621_17.html accessed on June 30, 2015

⁵⁴ “Japanese, S. Korean experts hold dialogue”, *NHK*, Jun 21, 2015 http://www3.nhk.or.jp/nhkworld/english/news/20150621_18.html accessed on June 30, 2015

Affairs Nisha Biswal together with Assistant Secretary of State for East Asian and Pacific Affairs Daniel Russel joined the talks.⁵⁵

Prime Minister Abe attends the 70th Anniversary of the End of the 1945 Battle of Okinawa; pledges to manage the base relocation problem

On 23 June, Prime Minister Shinzo Abe joined the memorial ceremony at the Peace Memorial Park in Okinawa to honour the 70th anniversary of the end of the 1945 battle of Okinawa. While interacting with the media, Abe addressed the base relocation issue and said that he will work with Governor Takeshi Onaga and the people of Okinawa to ease the problem of the bases in the Island⁵⁶. Meanwhile, during the ceremony anti-base Governor Onaga underscored that the enormous burden of American bases imposed on Okinawa must be eased⁵⁷.

In a separate development, Okinawa Governor Onaga held a meeting with US Ambassador Caroline Kennedy in Tokyo on June 19 to communicate his displeasure about US Marine Corps Air Station Futenma. Governor Onaga reportedly told Ambassador Kennedy that his appointment signifies the resolve of the public and represents the extensive resistance in Okinawa regarding shifting the base within the prefecture. Governor Onaga's latest meeting happened following his visit earlier in May-June to Hawaii and Washington and meetings with American bureaucrats and policymakers to convey Okinawan opposition.⁵⁸

TRACKING THE KOREAN PENINSULA

South Korea and China signed a Free Trade Agreement

South Korean Foreign Minister Yun Byung-se and Chinese Minister of Commerce Gao Hucheng met in Seoul on June 1 and signed a Free Trade Agreement (FTA) which is expected to increase bilateral trade and strengthen relations in many areas for example investment, people-to-people exchange, legal harmonization, and the elimination of non-tariff barriers. South Korean administration will initiate groundwork for domestic complementary steps and ratification of the FTA by the National Assembly.⁵⁹ In November 2014, the agreement was settled which enabled eventual elimination of tariffs on 90 per cent of the goods traded between the two countries. FTA is likely to come into force in the latter half of 2015 when both legislatures approve it.⁶⁰ This China-South Korea FTA is "the largest bilateral free trade deal for China in terms of trade volume covering 17 areas, including trade in goods and services, investment and trade rules as well as e-commerce and government procurement".⁶¹ The two sides also reportedly discussed regional economic integration through the trilateral FTA involving China, South Korea and Japan and the RCEP.

⁵⁵ "7th U.S.-India-Japan Trilateral Dialogue", *US Department of State*, June 27 2015 <http://www.state.gov/r/pa/prs/ps/2015/06/244441.htm> accessed on June 30, 2015

⁵⁶ "Memorial Ceremony to Commemorate the Fallen on the 70th Anniversary of the End of the Battle of Okinawa", *The Prime Minister of Japan and His Cabinet*, June 23, 2015 http://japan.kantei.go.jp/97_abe/actions/201506/23article1.html accessed on June 30, 2015

⁵⁷ "MEMORIAL DAY: Governor Onaga demands end to Henoko relocation at Battle of Okinawa ceremony", *The Asahi Shimbun*, June 23, 2015 http://ajw.asahi.com/article/behind_news/politics/AJ201506230081 accessed on June 30, 2015

⁵⁸ Masaaki Kameda, "Onaga spells out anti-base stance in first talks with Kennedy", *The Japan Times*, June 19 2015 <http://www.japantimes.co.jp/news/2015/06/19/national/politics-diplomacy/onaga-spells-anti-base-stance-first-talks-kennedy/#.VZEb51K6a1t> accessed on June 30, 2015

⁵⁹ "Foreign Minister Meets with Chinese Minister of Commerce Gao Hucheng", *Ministry of Foreign Affairs Republic of Korea*, 1 June 2015 http://www.mofa.go.kr/webmodule/htsboard/template/read/engreadboard.jsp?boardid=302&typeID=12&tableName=TYPE_ENGLISH&seqno=315290 accessed on June 30, 2015

⁶⁰ Shannon Tiezzi, "It's Official: China, South Korea Sign Free Trade Agreement", *The Diplomat*, June 02, 2015 <http://thediplomat.com/2015/06/its-official-china-south-korea-sign-free-trade-agreement/> accessed on June 30, 2015

⁶¹ "China, S. Korea Sign FTA as New Growth Engine", *Ministry of Commerce Peoples Republic of China*, June 2, 2015 http://english.mofcom.gov.cn/article/zt_chinakoreafta/news/201506/20150601020876.shtml accessed on June 30, 2015

ROK test-fired longer-range ballistic missile

South Korea on June 3 test-fired a ballistic missile from Taean in south Chungcheong province. It has a range of around 800 km capable of reaching most parts of North Korea and striking nuclear and missile centres of the North. President Park Geun-hye reportedly observed as the Agency for Defense Development steered the test. It is perceived as a one of the important assets for South Korea's Kill Chain pre-emptive strike system against the North. This will enable South Korea to undertake a pre-emptive attack against North Korea in case it perceives a threat.⁶² Seoul is also building the Korean Air and Missile Defense system to deal with North Korea's missile threats. North is reportedly refining its ballistic missiles and delivery systems.

US-South Korea summit postponed

Following the outbreak of Middle East Respiratory Syndrome (MERS), South Korean President Park Geun-hye postponed the scheduled six-day visit starting June 14 to Washington and Houston⁶³ and the planned summit meeting with President Obama. South Korea and the US were expected to discuss several issues including US-South Korea alliance, challenges emanating from North Korea and strengthening US-South Korea economic relations. While President Park personally explained the development to President Obama over telephone, US extended condolences to the MERS patients and their families and expressed hope to host the summit soon.⁶⁴ South Korean media indicated that the foreign ministry is likely to finalized a new date for the bilateral summit meeting. Foreign Minister Yun Byung-se visited Washington in late June to arrange for a fresh date where two leaders can meet.⁶⁵

US-South Korea strengthens defence cooperation

The US Defense Security Cooperation Agency confirmed that the State Department has agreed to the proposed sale of Aegis combat systems to ROK enabling improved capabilities for naval vessels to defend against likely aggression and protect SLOCs. The systems will be employed to arm the next-generation destroyers. ROK wants to purchase three Aegis Shipboard Combat Systems from Lockheed Martin. The cost is expected to amount to US\$1.91 billion.⁶⁶

In a separate development, the US and South Korea held a joint anti-submarine naval exercise near Jeju Island in the first week of June aimed at enhancing underwater capacity to safeguard the southern maritime space and dealing with threats emanating from North Korea. North Korea in the recent past have test fired a submarine-launched ballistic missile. The drill witnessed over 10 vessels together with the Aegis destroyer Seoae Ryu Seong-ryong, two submarines and a P-8 Poseidon US surveillance plane.⁶⁷

Moreover, South Korea and the US held the second Combined Joint Logistics Over-the-Shore Exercise from 29 June to 9 July at the Anmyeon Beach to improve their logistical war readiness. Approximately 1,700 service

⁶² "S. Korea successfully test-fires longer-range ballistic missile", *The Korea Times*, 3 June, 2015 http://www.koreatimes.co.kr/www/news/nation/2015/06/116_180099.html accessed on June 30, 2015

⁶³ "Park postpones U.S. trip over MERS crisis", *The Korea Herald*, June 10, 2015 <http://www.koreaherald.com/view.php?ud=20150610001126> accessed on June 30, 2015

⁶⁴ Kang Seung-woo, "Seoul reschedules Park's US visit", *The Korea Times*, June 12, 2015 http://www.koreatimes.co.kr/www/news/nation/2015/06/116_180759.html accessed on June 30, 2015

⁶⁵ "(LEAD) S. Korea, U.S. to set new date for summit soon: FM Yun", *Yonhap News Agency*, June 25, 2015 <http://english.yonhapnews.co.kr/news/2015/06/24/0200000000AEN20150624009951315.html> accessed on June 30, 2015

⁶⁶ "U.S. approves proposed sale of Aegis combat systems to S. Korea", *Yonhap News Agency*, June 12, 2015 <http://english.yonhapnews.co.kr/national/2015/06/11/0301000000AEN20150611009000315.html> accessed on June 30, 2015

⁶⁷ "S. Korea, U.S. start joint anti-submarine naval drill", *Yonhap News Agency*, 1 June, 2015 <http://english.yonhapnews.co.kr/national/2015/06/01/7/0301000000AEN20150601003951315F.html> accessed on June 30, 2015

members have joined in this exercise. The first exercise was held in 2013. The exercise is aimed to boost the capability to transfer cargo from sea to shore in addition to their logistics interoperability, communication and cooperation.⁶⁸

Japan and South Korea started sharing military intelligence on North Korea

On June 24, US confirmed that Japan and South Korea started sharing military intelligence on North Korea within the framework of trilateral agreement with the US. The December 2014 US-Japan-South Korea memorandum of understanding paved the way for voluntary exchange of military intelligence on DPRK's nuclear developments. This enabled Japan and South Korea to share intelligence through the US following the two nation's unsuccessful attempts to conclude a intelligence sharing agreement in 2012.⁶⁹

President Park Geun-hye's comment on comfort women generates measured response from Japan

South Korean President Park Geun-hye on June 11 stated that "considerable progress" has been achieved during the negotiations on the comfort women issue which constitutes a major irritant in the Japan-South Korea bilateral relations. The President further added that Japan and South Korea are in the "final stage" of negotiations. However, Japanese foreign ministry offered a measured response referring to President Park's comments. Yoshihide Suga, Chief Cabinet Secretary of Japan "refrained from commenting" citing ignorance about the "intent" of the comment.⁷⁰ Since April 2014, both nations engaged in eight round of talks on this issue.⁷¹

North Korea appoints a new defence chief

Reports on June 15 indicated that North Korea's supreme leader Kim Jong-un have chosen Pak Yong-sik, a four-star general, as the new defense chief after the execution of Hyon Yong-chol in April. North Korean media *Rodong Sinmun* printed a picture showing Pak Yong-sik seated on the right of the leader indicating that Pak Yong-sik is now named as Hyon Yong-chol's replacement. However, this development is not officially announced by North Korea. Once officially confirmed by North Korea, Pak Yong-sik will be the sixth defense minister from the time when Kim Jong-un came to power.⁷²

South Korean National Assembly endorsed Hwang Kyo-ahn as the Prime Minister

The National Assembly authorized the nomination of Hwang Kyo-ahn as Prime Minister of South Korea. As the previous Prime Minister Lee Wan-koo resigned following charges of receiving 30 million won from Sung Wan-jong, the office was vacant for over a month. This speedy appointment is to enable the Prime Minister to lead and facilitate the government initiatives against the MERS crisis which reportedly claimed 25 lives. Since a three-day confirmation hearing last week, the opposition bloc has objected to the nominee, whom they labeled

⁶⁸ "S. Korea, U.S. launch joint military logistics drill on west coast", *Yonhap News Agency*, 29 June 2015 <http://english.yonhapnews.co.kr/northkorea/2015/06/29/0401000000AEN20150629005700315.html> accessed on June 30, 2015

⁶⁹ "S. Korea, Japan launch military intelligence sharing under trilateral deal with U.S.", *The Korea Herald*, June 25, 2015 <http://www.koreaherald.com/view.php?ud=20150625000249> accessed on June 30, 2015

⁷⁰ "Japan parsing Park's comments on progress with comfort women talks", *Nikkei Asia Review*, June 15, 2015 <http://asia.nikkei.com/Politics-Economy/International-Relations/Japan-parsing-Park-s-comments-on-progress-with-comfort-women-talks> accessed on June 30, 2015

⁷¹ "Japan denies progress on 'comfort women'", *The Korean Times*, June 14, 2015 http://www.koreatimes.co.kr/www/news/nation/2015/06/120_180815.html accessed on June 30, 2015

⁷² "Pyongyang may have named new defense chief", *The Korea Times*, June 15, 2015 http://www.koreatimes.co.kr/www/news/nation/2015/06/116_180904.html accessed on June 30, 2015

“unfit” citing influence-peddling and draft-dodging allegations. Hwang Kyo-ahn served as the justice minister since 2013⁷³

DPRK reportedly executed 1,382 people from 2008-2014

Korea Institute for National Unification published a report titled *White Paper on Human Rights in North Korea 2015* claiming that DPRK has executed approximately 1382 people between 2008 and 2014. The findings of the report are based on the testimonials from 221 North Korean defectors who came to South Korea in 2014. The white paper reflects the present status of human rights violation in DPRK and indicate that people were executed for viewing and circulating South Korea movies, television dramas and other media content.⁷⁴

DPRK’s foreign ministry threatens “tougher countermeasures” against the US

On June 27, DPRK’s foreign ministry threatened “tougher countermeasures” targeting the US following the State Department Country Reports on Human Rights Practices for 2014 which underscored that human rights record of DPRK is worst in the world. The DPRK foreign ministry responded by calling it US’s “sinister attempt” to change the government citing the excuse of defending human rights. Moreover, on June 24, DPRK registered strong protest with regard to setting up of a human rights office in Seoul, a move that it believes to be politically motivated to hurt the dignity of the communist regime.⁷⁵

China invites Kim Jong Un to commemorate the 70th anniversary of the war

China has reportedly extended an invitation to North Korean supreme leader Kim Jong Un to visit Beijing to commemorate the 70th anniversary of the War.⁷⁶ However, there is no confirmation yet on the subject from the North Korean administration. In case the North Korean supreme leader Kim Jong Un accepts the invitation, this would be his first time to meet another national leader ever since assuming power in 2011. Besides, there were reports suggesting that both South and North Korean militaries are invited to participate in the military parade scheduled in China on September 3 at Tiananmen Square. China has reportedly requested South Korea to despatch an honor guard to the parade.⁷⁷

The 16th South Korea-Australia defence policy meeting held

The 16th South Korea-Australia defence policy working-level meeting was held on 3 July. The two sides discussed several issues including the security situation in the Asia-Pacific region and strengthening bilateral defence cooperation by way of joint military exercises and PKO operations. The Korean side was represented by Director-General of International Policy Yoon Soon-ku and the Australian side was led by Scott Dewar. They reportedly talked about the blueprint of South Korea-Australia security and defense cooperation which is scheduled to be revealed in the defence and foreign ministers meeting in September.⁷⁸

⁷³ “Assembly confirms new Prime Minister”, *Yonhap News Agency*, June 18, 2015 http://www.koreatimes.co.kr/www/news/nation/2015/06/116_181108.html accessed on June 30, 2015

⁷⁴ Yi Whan-woo, “NK executes nearly 1400 from 2008 to 2014”, *The Korea Times*, July 1, 2015 http://www.koreatimes.co.kr/www/news/nation/2015/07/485_181968.html accessed on July 7, 2015

⁷⁵ “N. Korea threatens ‘tougher’ actions against U.S. human rights report”, *Yonhap News Agency*, June 27, 2015 http://www.koreatimes.co.kr/www/news/nation/2015/06/485_181726.html accessed on July 7, 2015

⁷⁶ “China Invites North Korea’s Kim Jong Un to Beijing in September”, *The Wall Street Journal*, July 1 2015 <http://www.wsj.com/articles/china-invites-north-koreans-kim-jong-un-to-beijing-in-september-1435747025> accessed on July 7, 2015

⁷⁷ “China invites Korea’s militaries to parade marking end of WWII”, *Yonhap News Agency*, July 1, 2015 <http://english.yonhapnews.co.kr/northkorea/2015/07/01/89/0401000000AEN20150701005300315F.html?input=www.twitter.com> accessed on July 7, 2015

⁷⁸ S. Korea, Australia hold working-level defense talks, *Yonhap News Agency*, July 3, 2015 <http://english.yonhapnews.co.kr/national/2015/07/03/0301000000AEN20150703004000315.html> accessed on July 7, 2015

ACTIVITIES OF THE CENTRE (MAY-JUNE 2015)

- Dr. Panda, Mr. Avinash Godbole and Dr. G Balachandran discussed Prime Minister Narendra Modi's Tour to China, Mongolia and South Korea in the Monday Morning Meeting on May 25, 2015.
- Jeff M. Smith, Director of Asian Security Programs at the American Foreign Policy Council (AFPC) visited IDSA on 28th May 2015. He spoke on the "Current US Perception on India-China Relations" followed by a discussion.
- IDSA hosted a 13 member NIDS delegation on 25th May from 1155-1345hrs. Discussions focussed on India-Japan relations, Japanese defence policy and the East Asian Security environment.

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