

# Strategic Digest

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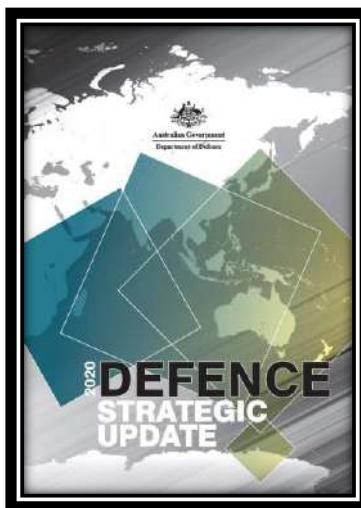
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## Australia's 2020 Defence Strategy Update and Force Structure Plan

On 1 July, Prime Minister Scott Morrison released two key defence policy documents, namely, **2020 Defence Strategic Update** and **2020 Force Structure Plan**. Thereby, he signalled a fundamental change in Australia's strategic posture: from a largely defensive force that was primed for coalition operations to one that would be ready for conventional deterrence. The shift flows from an assessment of the rapidly deteriorating strategic environment in the Indo-Pacific, where “the prospect of high-intensity conflict ... while still unlikely, is now less remote.” Therefore, Australia may not have a 10-year strategic warning time ahead of any major conflict – a key assumption for strategic planning in the Defence White Paper 2016.



This new strategic reassessment has been largely shaped by China's active pursuit of greater influence in the region and its strategic competition with the United States. The Strategic update highlights Australian concerns about China's establishment of military bases, which creates the potential for adverse action and the undermining of regional stability. It implicitly argues that China has integrated ‘grey zone’ activities in its statecraft and will pursue its strategic interests through a combination of coercive activities, including espionage, domestic interference, and geo-economic measures.

The key focus of the strategic update is Australia's security in its ‘immediate region’, which has been expansively defined as extending from the northeast Indian Ocean through maritime Southeast Asia to the southwest Pacific. The document emphasises the importance of building defence relationships and security links with key partners such as Japan, India and Indonesia to preserve regional security and stability. It posits a three-step strategic policy: 1) shaping the strategic environment, 2) deterring “actions against Australia's interests”, and, 3) responding “with credible force”.

The pathways for implementing this three-step policy has been detailed in the **2020 Force Structure Plan**, which envisages an investment of AUD 575 billion in new capabilities during the next decade with a focus on long-range strike capabilities including hypersonic weapons. The aim is to strengthen defence capability across five domains: Information and Cyber, Maritime, Air, Space, and Land. Major capability acquisitions in the period 2021-2030 include: 12 attack submarines, nine Hunter Class Frigates and 12 Arafura Class Offshore Patrol Vessels; F-35A Lightning II Joint Strike Fighters, EA-18G Growler Electronic Attack aircraft and the Jindalee OTH (Over the Horizon) radar network;

investment in enhanced mobility, firepower, protection and situational awareness for land forces; and, a network of satellites to provide an independent and sovereign communications network. As a result, Australia's defence budget is projected to grow from AUD 42 billion in the current fiscal year to 74 billion within a decade.

### Iran to Build Military Base in Indian Ocean

Supreme Leader Ayatollah Ali Khamenei has tasked the Islamic Revolutionary Guard Corps Navy (IRGCN) to establish a *permanent* military base in the Indian Ocean before the end of the country's current year on 20 March 2021. Revealing this on 22 June, Alireza Tangsiri, the Commander of IRGCN, said that the move has been triggered by the activities of pirates and "some foreign vessels" which have created disturbances for Iranian trawlers and dhows in the country's southern waters. The base is expected to help the force establish a presence in the Sea of Oman and the Indian Ocean, and prevent such infringements. Tangsiri also asserted that this would also help "improve security at the entrance to the Indian Ocean."

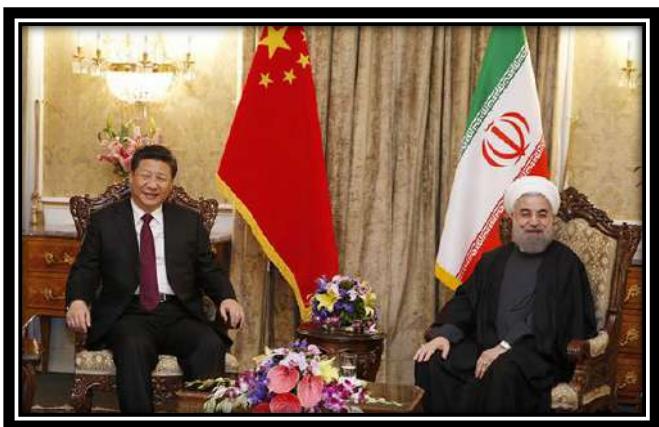


It is noteworthy that IRGCN is separate from Iran's conventional navy. The force primarily uses speedboats and employs tactics of asymmetrical warfare. In April 2020, President Donald Trump had instructed the US Navy to destroy Iranian boats that were reportedly harassing US warships at that time. The decision to establish

the Indian Ocean base, a first for the IRGCN, is a response to the reinforcement of the US naval presence in Iran's southern waters. In the event of an armed confrontation with the United States, the base is intended to serve as a centre from which to expand the conflict to the Indian Ocean. Iran's decision to establish a naval base in the Indian Ocean is increasing concerns about an escalation in its confrontation with the United States and the negative implications of such a denouement on energy security.

## Iran and China to Forge 25-Year Strategic Partnership

Foreign Minister Mohammad Javad Zarif visited China in August 2019, reportedly with a blueprint for a comprehensive 25-year China-Iran strategic partnership. News of this ‘secretive’ accord was first exposed by former Iranian President Mahmoud Ahmadinejad, who complained that it was not valid for the Iranian government to enter into a secret agreement with foreign parties “without considering the will of the Iranian nation.” Confronted by angry legislators who fear a sell-out, Zarif said on 5 June 2020 that there is nothing secret about the deal and that it would be presented to the country once the “25-year strategic accord with China” is finalised.



According to the “final draft” that was recently leaked, the agreement envisages cooperation in a whole gamut of sectors including energy, infrastructure, manufacturing, 5G telecommunications network, satellite navigation, cyber space, and defence. China is projected to invest US\$280 billion in

developing Iran’s oil, gas, and petrochemicals sectors, and another 120 billion to upgrade Iranian transport and manufacturing infrastructure. In addition, China would develop three free-trade zones in Maku, Abadan, and the island of Qeshm, build infrastructure for a 5G telecommunications network, offer its BeiDou Global Positioning System, and help regulate cyber space.

A key aspect of the envisaged strategic partnership is the forging of deeper military cooperation through joint training and exercises, cooperation in weapons research and development, and intelligence sharing. There are also alarming but unsubstantiated reports that Iran might agree to the stationing of both Chinese and Russian bombers, fighters, and transport planes in Iranian air bases. This process is speculated to begin with the construction of purpose-built dual-use facilities next to existing airports at Hamedan, Bandar Abbas, Chabahar, and Abadan. It is important to note that, in August 2016, Russia had used the Hamedan airbase to attack targets in Syria using Tupolev-22M3 long-range bombers and Sukhoi-34 strike fighters. At the same time, Chinese and Russian military vessels could be allowed to use newly-created, Chinese-built, dual-use facilities at Chabahar, Bandar-e-Bushehr, and Bandar Abbas. If true, such a development would

transform Eurasian geopolitics as well as introduce new challenges to Indian security in both the military and energy domains.

## China Completes BeiDou Navigation Satellite System

With the placing of last satellite of the BeiDou Navigation Satellite System (BDS) in orbit in late June 2020, China has completed the construction of its global navigation system. BeiDou (北斗) means ‘Northern Dipper’, which is Chinese for the Big Dipper. The North Star, which has been used for centuries for navigation, is located in the Big Dipper.



Conceptualised in 1983 and initiated in 1994, the project unfolded in three phases: BDS-1 (1994-2000) began providing positioning, timing, wide-area differential and short message communication services to China by 2000; BDS-2 (2004-2012) expanded these services to the Asia-Pacific region by 2012; and BDS-3 (2009-2020) is slated to extend the services worldwide. It took 18 missions over two and a half years to complete the last leg, BDS-3.

The first BDS satellite (BeiDou-1A) was launched in October 2000 and, over the last two decades, 55 BDS-2 and BDS-3 constellation satellites have been placed in orbit with a 100 per cent success rate. With BDS serving as the foundation, China aspires to build a ubiquitous, integrated and comprehensive positioning, navigation and timing (PNT) system.

The space segment of BDS consists of seven satellites in Geostationary Earth Orbit (GEO), 10 in Inclined Geosynchronous Orbit (IGSO) and 27 in Medium Earth Orbit (MEO). BDS services have been used extensively in transportation, agriculture, forestry, fisheries, hydrological monitoring, meteorological forecasting, communication, power dispatching, disaster relief, and public security. BDS is also enabling the application of next-generation technologies such as autonomous vehicles and the Internet of Things (IoT).

With the completion of the full complement of satellites, the BeiDou system is all set to go global in tandem with China’s ambitions. A global BDS places China in the elite group of America, Russia and European Union that operate their own global navigation satellite systems.

## Return of US Carriers to Western Pacific and South China Sea

In what might constitute one of the US Navy's largest operational deployments in the South China Sea in recent years, the 100,000-ton nuclear powered aircraft carriers, *USS Ronald Reagan* (pictured below) and *USS Nimitz*, carried out operations and exercises in the South China Sea along with their strike groups. According to the US Navy, the operations were meant to "support a free and open Indo-Pacific".



The exercises involved simulation of multiple carrier air wing sorties against enemy bases flown by the more than 75 fixed wing aircraft that each of these carriers can operate. This is the first time that the US Navy has conducted such exercises in the South China Sea with two aircraft carriers. The two carriers were joined in the skies by an Air Force B-52

Stratofortress, a long-range, nuclear-capable bomber, which took off from Barksdale Air Force Base, Louisiana, and took part in the exercises.

These exercises came days after the People's Liberation Army Navy and China Coast Guard completed their own exercises in the waters southeast of China's Hainan Island in the South China Sea. The Hainan Province Maritime Safety Administration had announced a maritime exclusion zone ahead of the exercises. Earlier, in mid-June 2020, for the first time in three years, the US Navy mobilised three aircraft carrier strike groups centred on the *USS Ronald Reagan*, *USS Nimitz* and *USS Theodore Roosevelt* to the Western Pacific as part of a build-up aimed at reinforcing deterrence vis-à-vis China.

## Japan Creates New Post to Advance Cooperation in Indo-Pacific

To advance its Free and Open Indo-Pacific vision, Japan's Ministry of Defense is creating a new post at the level of division chief in the Defense Policy Bureau with the task of enhancing cooperation with the Association of Southeast Asian Nations (ASEAN), India and Australia. Until now, external coordination has been divided between the Japan-US Defense Cooperation Division and the International Policy Division for other nations. With Japan stepping up security cooperation with key strategic partners in the Indo-Pacific, the defence ministry is strengthening its organisational capacity to bolster coordination with key partners for the purpose of keeping critical sea-lanes free and open in accordance with international law. Japan, along with Australia and the US, have expressed

strong opposition to what they refer to as China's "continued militarization of disputed features, dangerous or coercive use of coast guard vessels and maritime militia" in the South China Sea.



Over and above these concerns relating to the South China Sea, Japan also faces a direct territorial and security challenge from China's maritime grey zone operations in the East China Sea. Keeping with its tendency of systematic incursions, Chinese patrol ships sailed for 30 hours in the waters around Senkaku Islands in early July 2020, in what is the longest Chinese intrusion into

Japanese territorial waters since 2012. Chinese ships reportedly sailed within 2.5 miles (4 km) off these Islands. Earlier, in June, a Chinese submarine sailed without surfacing in the contiguous zone northeast of Amami-Oshima Island in Kagoshima prefecture, marking the first such case since 2018 when a Chinese nuclear-powered submarine was detected around Miyako Island.

These actions led the Japanese and Australian Defence Ministers to articulate strong opposition to "any destabilizing or coercive unilateral actions that could alter the status quo and increase tensions in the East China Sea" at the Japan-US-Australia Defense Ministers' meeting on 7 July. Japan is also finalising its Defence White Paper 2020, which reportedly weighs risks to national security against the backdrop of intensifying great power competition and China's attempts to reshape the international order to its own advantage.