



MANOHAR PARRIKAR INSTITUTE FOR  
DEFENCE STUDIES AND ANALYSES  
मनोहर पर्रिकर रक्षा अध्ययन एवं विश्लेषण संस्थान

# Strategic Digest

Vol. 3 | No. 17 | 16 September 2021

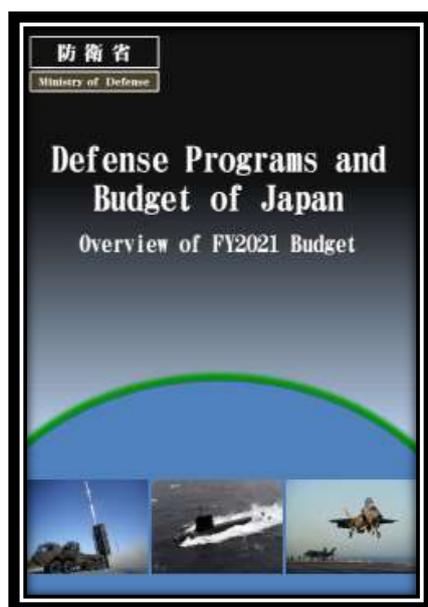
**Japan's Defence Budget on the cusp of transcending 1% GDP cap**

**China backs ban on Chinese Mining Company amid mounting anger in the DRC over illegal Mining**

**US House of Representative pushes for expansion of Five Eyes Intelligence Sharing Program**

## Japan's Defence Budget on the cusp of transcending 1% GDP cap

Japan's Defence Ministry in August proposed a budget of around [US\\$ 50 billion for fiscal 2022](#), representing a 2.9 per cent nominal increase in the annual spending. This is keeping in mind the threat perception vis-à-vis China and North Korea. Earlier in July, Japan's annual Defence [White Paper](#) made an important departure by firmly underscoring for the [first time](#) the urgency to analyse the developments surrounding Taiwan "with a sense of crisis more than ever before". There is a consensus emerging not just amongst the strategic community but also the political class in Tokyo that stability in the Taiwan Strait is vital for Japan's security. The White Paper also evaluated the inconsistencies in China's Coast Guard Law vis-a-vis the international law, and Beijing's unilateral attempts to alter the status quo in the East and South China Seas. In addition, stability in the Korean Peninsula is accorded priority as Pyongyang's nuclear and ballistic missile development programme poses a "grave and imminent threat" to Japan's security. For instance, the latest test of cruise missiles by North Korea with a reported range of 1500 km further adds to Tokyo's [concerns](#).



The proposed defence budget is prioritising advancing Japan's capability in space, cyber and electromagnetic domains. The ministry [reportedly](#) requested ¥325.7 billion R&D outlay to pursue technologies like crewless aircraft using AI, and fund next-generation fighter jets; ¥130.0 billion to get F-35 advanced stealth fighter jets; ¥10.2 billion for transport ships; ¥37.9 billion for standoff missiles that can be launched from different platforms; and ¥5.8 billion to adapt radars for ships equipped with the Aegis missile interceptor system. The goal is to develop game-changing technologies including underwater drones for maritime surveillance. The proposed budget includes provision for setting up a new camp on

Ishigaki Island where Japan intends to deploy surface-to-air and anti-ship missile batteries, and further bolster capabilities in other Islands including Miyako, Yonaguni and Amami. Japan will reportedly deploy anti-aircraft and anti-ship missiles in Ishigaki Island to defend its southwestern islands as well as support Taiwan in case of a contingency. The deployment is expected to be completed by [March 2023](#). The budget request excludes expenses related to hosting American bases.

While Japan's security treaty ally, the US has long urged Tokyo to contribute more towards burden-sharing within the framework of alliance management by

increasing its defence budget beyond the one per cent GDP cap, Japan in the post-war period has focussed its contribution primarily on non-defence-related areas such as peacekeeping and development assistance given its pacifist orientation. However, Defence Minister Kishi [earlier in May indicated](#) that owing to the fluid regional security situation, Japan must augment its defence capabilities at a “radically different pace than in the past”, and Tokyo may not be able to follow its one per cent GDP cap on defence spending. As Japan heads for a leadership change following Prime Minister Suga Yoshihide’s decision not to run in the ruling Liberal Democratic Party’s (LDP) presidential election scheduled on September 29, all the major contenders’ competing for the party presidency, and consequently prime minister’s office including Kono Taro, Kishida Fumio and Takaichi Sanae support advancing Japan’s defence capabilities by [bolstering defence budget](#).

### **China backs ban on Chinese Mining Company amid mounting anger in the DRC over illegal Mining**

China publicly endorsed a Congolese provincial government’s order last month banning six small Chinese-owned mining companies operating illegally. The director-general of the Chinese Foreign Ministry's Department of African Affairs, Wu Peng, tweeted that “We support the DRC in cracking down on illegal economic activities in accordance with the law,” He further added that “the authorities of China's Zhejiang and Jiangsu provinces had ordered the six companies to halt business and leave South Kivu "as soon as possible". He also emphasised that the companies would be punished and sanctioned by the Chinese



government, he added. While Wu did not specifically identify the companies nor described illegal activities, he assured that China will “never allow Chinese companies in Africa to violate local laws and regulations.”

Chinese assurance comes amid mounting public anger over Chinese labour and environmental practices in the mining sector in DRC. In the past few months, there’s been a noticeable increase in the number of videos and photos published on Congolese social media about flagrant violation of labour and environment regulations including ill-treatment of Congolese employees. Two Chinese nationals are facing criminal prosecution by a military court for ordering two

Congolese soldiers to inflict "degrading and humiliating treatment" on artisanal Congolese miners. In the absence of long-term economic alternatives for the illegal miners, they are likely to return to the concessions, pushing soldiers to resort to even harsher measures.

The governor of Congo's eastern South Kivu province, Theo Kasi, suspended the operations of the six small Chinese companies on Aug 20, ordering all local and foreign staff to leave the sites. Kasi said the suspension came after the companies missed a deadline to register their activities with the authorities. Kasi identified the companies as BM Global Business, Congo Blueant Minerals, Orientale Ressource Congo, Yellow Water Resources, New Continent Mineral, and Groupe Cristal, ordering all local and foreign staff to leave the sites.

China's influence in mineral resource-rich DRC has considerably grown in the new millennium. Chinese investors control about 70% of Congo's mining sector, according to Congo's chamber of mines, after snapping up lucrative projects from Western companies in recent years. Chinese investors like Minerals and Metals Group (MMG) and China Molybdenum's Tenke Fugurume are prominent in the cobalt and copper-rich DRC's Lualaba region.

On 27 Aug, Reuters reported that the DRC government is reviewing its \$6 billion "infrastructure-for-minerals" deal with Chinese investors as part of a broader examination of mining contracts. On May 21, President Felix Tshisekedi had hinted that some mining contracts could be reviewed because of concerns they are not sufficiently benefiting Congo, which is the world's largest producer of cobalt and Africa's leading miner of copper. After Tshisekedi announced the reviews in May, a move attributed by some analysts to Western pressure to go after Chinese companies, China's ambassador to Congo warned the country "must not be a battlefield between major powers".

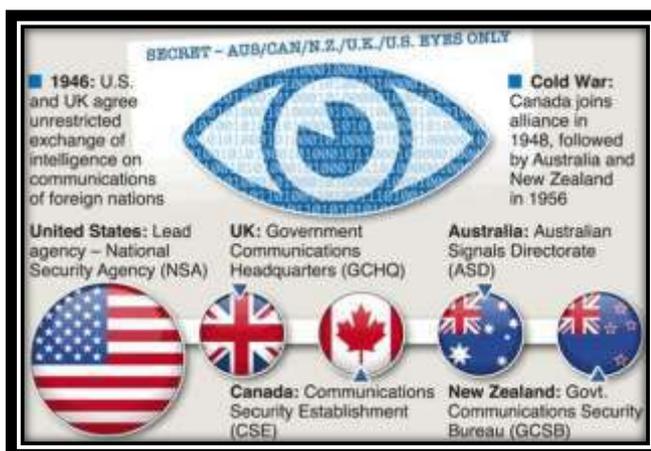
It is probably the first instance of assurance of punitive action against the Chinese commercial enterprise for violations of foreign country's norms and regulations. Whether this is a tactical move to assuage growing public anger in DRC or a broader effort to ensure compliance of Chinese companies to local law and regulation remains uncertain.

### **US House of Representative pushes for expansion of Five Eyes Intelligence Sharing Program**

A draft bill from the U.S. House of Representatives asks the U.S. administration to consider expanding its 'Five Eyes' intelligence sharing program that currently involves Australia, Britain, Canada and New Zealand . The subcommittee on intelligence and special operations submitted the National Defense Authorization bill for fiscal year 2022 on 02 Sep.

The bill states that “The committee directs the Director of National Intelligence, in coordination with the Secretary of Defence, to provide a report to the House Committee on Armed Services, the Senate Committee on Armed Services, and the congressional intelligence committees, not later than May 20, 2022, on current intelligence and resource sharing agreements between the United States and the countries of Australia, Canada, New Zealand, and the United Kingdom; as well as opportunities to expand intelligence sharing with South Korea, Japan, India, and Germany.”

The bill is currently being reviewed by The House Committee on Armed Services along with those submitted by other subcommittees, to create its final draft for FY22 National Defence Authorization Act. The intelligence subcommittee bill, if included in the final draft and enacted, would require the U.S. government to study the benefits of expanding the Five Eyes arrangement, "including the nature of insights that each of these countries may be in a position to contribute."



The potential for an expanding role for the Five Eyes alliance, an intelligence relationship formed in 1941, is part of a growing interest among the US lawmakers to form a cohesive political and economic alliance to compete with China. Japan has been actively advocating of its inclusion in this programme since last few years. The current bill is still far away from its eventual enactment.

Commentators have pointed that the longevity and sustainability of Five Eyes as originating from “decades of cultural and bureaucratic synergies between the five constituent states.” It should be expected that any new formal addition would realistically come step-by-step and not via any swift elevation to membership.