



RISKS OF CONFRONTATIONAL NAVAL BUILDUP IN THE SOUTH CHINA SEA

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TAIWAN

REGION WIDE DEFENSE SPENDING INCREASE

- Defence spending in the Asia-Pacific region is expected to hit US\$250 billion (S\$350 billion) from 2016 to 2020, IHS Janes Defence Weekly said last December, and Malaysia intends to improve on its capabilities alongside other states in the hotly contested South China Sea, even as its defence budget narrows. (Strait Times, 22/3/2017)
- In Southeast Asia, where China's militarized island-building efforts and aggressive stance in the South China Sea have elicited worries, the combined defense budget increase for Indonesia, Malaysia, the Philippines, Singapore and Vietnam from 2015 to 2016 equaled 8.4 percent. By 2020, Forecast International expects the cumulative defense spending of these five nations to grow by 25 percent, or roughly 6.3 percent per annum. (Nasdaq Global Newswire, 2016)

ASEAN COUNTRIES INCREASE OF DEFENSE BUDGET

- Indonesia's defence spending has jumped around 26 per cent under President Joko Widodo.
- Thailand's military government last month approved a 13.5 billion baht (S\$543.5 million) submarine deal with China after putting the purchase on hold last year.
- Malaysia's navy aims to replace all 50 vessels in its ageing fleet as the country cuts its defence budget by 12.7 per cent to US\$15.1 billion (S\$21 billion) this year. That will be led by the procurement of four littoral mission ships (LMS) built in collaboration with China.
- Malaysia is conducting a “15 to 5 plan”. The five classes of ships are planned to consist of 12 LCS vessels, 18 Kedah-class offshore patrol vessels, 18 Chinese-designed littoral mission ships, three multi-role support ships of an as-yet undetermined design and four submarines.

SELECT SUBMARINE PROCUREMENT IN AND AROUND THE SOUTH CHINA SEA

• name	equipment	type	quantity	supplier	in service date
• China	Shang II-class	SSN	4	Bohai(PEC)	n.k.
•	Yuan II-class	SSK	n.k.	Wuchang/ Jiangnan (PRC)	2011
• Indonesia	T209/1400	SSK	3	DSME/PT PAL	2017
• Japan	Soryu-class	SSK	11	KHI/MHI(JPN)	2009
• Singapore	Type-218SG	SSK	2	TKMS(GER)	2020
• Thailand	S26T	SSK	3	(PRC)CSIC	2021
• Vietnam	Hanoi-class	SSK	6	Admiralty (RUS)	2014

• Note: SSK-Attack submarine with ASW capability; SSN-Nuclear powered attack submarine

• Source: IISS

NATIONAL MARITIME STRATEGY: VIETNAM

- Much of Vietnam's naval strategy today is based on calculating limited survival edge against Chinese aggression. As its naval fleet becomes mature, Vietnam People's Navy recognizes the limits of its traditional sea-denial strategy and thus seeks to boost lively strategy for preventing Chinese military aggression. Today, Vietnam has developed counter-intervention strategy in the South China Sea.

THE PHILIPPINES' DEFENSE DIRECTION

- The Philippines navy has long been recognized as one of the “weakest and rustiest navies” in the region. Due to political and economic instable development, the navy is seriously underdeveloped and considered too small for the archipelagic country. It is hardly capable enough to protect and defend its maritime interest. As such, the Philippines realizes that the navy cannot withstand Chinese assertiveness in the South China Sea and could only resort to security alliance with the US and Japan. For the Philippines, the right naval strategy is to closely link with the US and Japanese navies. Basically, the Philippines naval strategy has three keys: continuing regular military exercises with the US and Japan, seeking for hardware assistance from the US and Japan, and opening up ports for the US and Japan navies to dock.

MALAYSIA MILITARY MODERNIZATION

- Malaysia has kick-started the process with procuring 4 Littoral Mission Ships from China. In 2015, Malaysian government announced to begin the so-called “15 to 5 plan,” which will reduce the number of ship types from 15 to 5 by 2030. The five classes of ships will “consist of 12 LCS vessels, 18 Kedah-class offshore patrol vessels, 18 Chinese-designed littoral mission ships, three multi-role support ships of an as-yet undetermined design and four submarines.”
- Malaysia has been skillfully managed its relation with China and its quiet diplomacy is paid back well. During Prime Minister Najib Razak’s visit to China in November 2016, Malaysia and China signed a series of agreements on defense cooperation, naval cooperation, and oil & gas pipeline cooperation. Malaysia supports China’s position on encouraging bilateral dialogues to settle territorial disputes in the South China Sea.

TAIWAN'S SOUTH CHINA SEA NEW ACTIONS

- On the international arbitration case, Taiwan was forced to take practical actions to protect its interest, including reiterating traditional claims for sovereignty, strengthening law enforcement practices, conducting military drills in and around the Taiping Island (Itu Aba), and more importantly increasing regular naval and coast guard patrol into the South China Sea.
- The navy, during its regular South China Sea patrols, will conduct joint training with the air force in protecting fishermen and supply transports, and in humanitarian rescue drills to expand the combat readiness of our sea and air patrols.
- A combined force of the naval frigates and coast guard ships has regularized patrol into the South China Sea.

RISKS OF CONFRONTATIONAL NAVAL BUILDUP

- One year after the arbitration tribunal gave the final award in July 2016, the region witnesses the increase of naval buildup and competing deployment in the South China Sea. Although ahead of China-ASEAN negotiation on the Code of Conducts the situation on the ground is relatively peaceful, it does not guarantee a persistent stability.
- On the naval activities, it will need absolute measures of self-constraint for all navies. But, the challenge for now is there is no any joint mechanism for communication and exchange among all navies.

IN NEED OF CREDIBLE MECHANISMS WITH REGIONAL CHARACTERISTICS

- the region has seen several important diplomatic transformations in favor of friendly engagement: China-the Philippines new relation, China-Malaysia defense cooperation, and China-Vietnam summit.
- If multilateral mechanisms may not be feasible for now, the region has to learn how much the relation between China and its neighbors can deliver. At least for now, bilateral diplomatic approach would work to complement institutional weakness on confrontational naval buildup in the region.
- At least, ahead of COC negotiation all parties concerned should think hard to take diplomatic approaches into consideration.