

OPRF MARINT Monthly Report

December 2010



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This monthly report was summarized and produced by OPRF staff writers based on their analyses and assessments of open source information.

Each source of information is described as an internet link in a bracket, which is available as URL online as of the end of December 2010.

Publisher: Masahiro Akiyama

Staff writers:

Kazumine Akimoto, Takehisa Imaizumi, Aki Mori, Wakana Mukai, Eiji Sakai, Daisuke Sekine,
Takehisa Tomomori, Hideshi Ueno, Yuko Takada

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Intelligence Summary in December 2010

Maritime Security: In December, while seven vessels were hijacked as ever by Somali pirates, three ships were also released by them. On the 1st, Kenyan Prime Minister (PM) Raila Odinga has told parliament Kenya wants a special Somali court to try suspected pirates set up in a third country, Kenya and the Seychelles have prosecuted dozens of pirates handed over by foreign navies, but have both said they would have difficulties coping with the numbers if all the seized pirates were handed over to them.

Since November 24, Estonia has contributed to the fight against piracy off the Somalia coast with the provision of a Vessel Protection Detachment (VPD), which will initially be operating onboard the EUNAVFOR German navy's frigate FGS *Hamburg*.

Regarding the accident in which damage was caused to the hull of the Japanese tanker owned by the Shosen (Merchant Shipping) Mitsui Ltd., MT *M. Star*, in the Strait of Hormuz in July, the Japanese Transport Ministry released on the 27th a report that, although the accident is likely to have been caused by explosives, whether or not it was an attack could not be determined.

Military Developments: India is planning to set up certain naval infrastructure at two places on the East Coast. The locations of the new facilities have not been announced. But the Indian Navy has bases at Vishakapatnam (on the East coast), Karwar, Mumbai and Kochi (on the West coast respectively) at present. According to sources in the Indian Navy, the two installations could house future submarines. The construction of naval infrastructure is a sign of the extra emphasis the country is placing on its defenses against China, analysts here say.

On the 3rd, China and the US resumed military exchanges as senior defense officials from both sides held talks in Washington and agreed that US Defense Secretary Robert Gates would pay a visit to China on January 10 – 14, 2011. The two sides also agreed that Chen Bingde, chief of the general staff of the PLA, would visit the US at a mutually convenient date in 2011.

On the 14th, the U. S. Institute for National Strategic Studies issued a report which carried out an analysis of China's out of area naval operations titled "*China's Out of Area Naval Operations: Case Studies, Trajectories, Obstacles and Potential Solutions.*" While mentioning that, for the navy of any nation, if it conducts its out of area operations far away from its homeland, it is essential to have accesses to overseas facilities and bases, the report points out that: (1) Presently, China has no networks of facilities and bases; and (2) China's possession or absence of such a network may ultimately be the best indication of judging its future intentions. On the other hand, *the Asahi Shimbun* dated the 16th reports it is distinctly described that China has embarked on an aircraft carrier building program, part of a grand strategy to build itself up as a maritime power in 2009 in the annual national ocean development report "*China's Maritime Development Report 2010*" which was compiled by the State Oceanic Administration. (Note: The report was released in May 2010.)

On the 24th, Russia opted to purchase *Mistral*-class helicopter carriers from France. At the

initial stage, two *Mistral*-class helicopter carriers will be built jointly by France and Russia at the French shipyard. Another two will be constructed later at the Russian shipyard. The first *Mistral*-class ship is expected to be built within 36 months after Russia makes an advance payment scheduled for January 2011. *RIA Novosti* dated December 12 carries an article of a military analyst, in which he mentioned the background of purchasing the *Mistral* class amphibious landing ships as follows: (1) At present, Russian shipbuilding industry does not have the capacity to design and build such amphibious landing ships. By building the ships under license, the Russian shipbuilding industry will get the big benefits. (2) It looks likely that the first ships of the *Mistral* class amphibious landing ships (LHA) will be deployed to the Pacific fleet. Stationed near the Kurils, a *Mistral* and similar ships (LHA) could serve as a mobile base, providing effective support for troops stationed on remote islands.

Maritime Boundaries: On the 23rd, Zhao Xingwu, Director of Fisheries Administration under the Chinese Ministry of Agriculture said: “Regular patrols to safeguard fishing around the Diaoyu islands (known as the Senkaku islands in Japan) in the East China Sea will be organized in 2011.” On the other hand, China and Vietnam have been engaged in discreet negotiations over South China Sea disputes for the past year, but Beijing is refusing to consider discussions over its occupation of the Paracel Islands.

On the 13th, Malaysia and Brunei signed an agreement to jointly explore and produce oil and gas in deepwater blocks offshore the Brunei-Sarawak border in northern Borneo. The national petroleum companies of Malaysia and Brunei will partake in joint exploration and production for oil and gas over the next 40 years. Malaysia and Brunei had amicably resolved the land and maritime boundary issues in March 2010. The recent agreement was all the more remarkable because both Governments concluded these deals without resorting to any third-party arbitration or seeking decision from the International Court of Justice.

Diplomacy and International Relations: Yang Fang, an Associate Research Fellow at the S. Rajaratnam School of International Studies (RSIS) in Singapore has contributed to the RSIS Commentary 162 an article on China’s policy in the South China Sea titled “*China’s Position on the South China Sea: Problems and Progress.*” Regarding China’s policy on the South China Sea, the report evaluates that China has recently begun discussions with 10 ASEAN countries to formalize the “2002 Declaration of Conduct of Parties (DOC) dealing with the South China Sea territorial dispute” while pointing out the necessity of the binding “code of conducts”.

In this monthly report, we took up a report of Michael Auslin, Director of Japan Studies at the U. S. think-tank, The American Enterprise Institute. On the 15th, Auslin issued a report titled “*Security in the Indo-Pacific Commons: Toward a Regional Strategy.*” In this report, Auslin mentions that, taking a view of the global Indo-Pacific region, the United States should pursue a strategy that consists of three parts: first, an enhanced superior forward-based military presence in the region; second, an innovative new approach to allies and partners; and, third, a political goal of helping create a more liberal Indo-Pacific region.

In addition, Austin contributed to *the Wall Street Journal* dated the 22nd an article titled “*Japan's Posture Against Chinese Posturing*.” In the article, regarding the “*Japan's National Defense Program Guidelines (NDPG) after the FY 2011*” which had been approved at a Cabinet meeting on the 17th, Austin commented that “Japan has recognized that the most likely threats to its national interests now come from China, and has shifted its strategic focus accordingly.”

Shipping, Shipbuilding and Harbors: The framework agreement to build the Dawei deep seaport in Myanmar and its related infrastructure signed between the Myanmar Port Authority and the Italian-Thai Development Public Company (OTC:ITHVF) is targeted to complete in 10 years in three phases. The project, which costs 13 billion U.S. dollars, includes construction of Dawei Deep Seaport, buildings for shipyard and maintenance work, establishment of zone, petrochemical industries, oil refinery, steel plant, power stations and Dawei-Bangkok motor road and railroad and laying of oil pipeline along the motorway and railroad. The project stands as a strategic one which lies within the east-west corridor of Asia. On completion, the deep-sea port will play role in removing trade barrier in some regions in Asia.

Norway's Classification Society, Stiftelsen Det Norske Verita (DNV) has unveiled an LNG-fueled very large crude oil carrier (VLCC) *Triality* concept design that obviates the need for ballast water. *Triality*, as its name indicates, fulfils three main goals: it is environmentally superior to a conventional crude oil tanker, its new solutions are feasible and based on well known technology, and it is financially attractive compared to conventional crude oil tankers.

On the 27th, a newly constructed VLCC-size oil terminal in Zhanjiang port in Guangdong Province was put into operation. Zhanjiang port now boasts two VLCC-size oil terminals, one 250,000dwt iron ore terminal and a 150,000dwt coal terminal, with annual capacity of some 16.8m tons.

A record 61 container ships of more than 7,500 TEUs capacity (Very/Ultra Large Container Ships [VLCS/ULCS]) were delivered in 2010. In 2011, 76 V/ULCS are scheduled for delivery, of which 49 exceed 10,000 TEUs.

Ocean Resources, Energy, Sea Environment and Others: The Asian Development Bank (ADB), the Global Environment Facility (GEF), and the Australian Institute of Marine Science (AIMS) are helping five Pacific countries manage their marine resources in the Coral Triangle. Often referred to as “the Amazon of the Seas,” the Coral Triangle contains vast marine resources critical for the economic and food security of an estimated 120 million people. These resources are at immediate risk from a range of factors, including the impacts of climate change, over-fishing, and unsustainable fishing methods.

Intelligence Assessment: In June 2010, the Lowy Institute in Australia issued a paper titled “*Power and Choice: Asian Security Future*.” The paper is a voluminous work of over a hundred pages, which is compiled with an aim of “not only forecasting the future of Asia but also assessing a possible situation as well as studying its influence” while making a survey of the coming years

from 15 to 20. According to the assessment of this paper, the power balance in Asia remains fluid, and the future strategic environment in Asia will be shaped by power of respective nations which have influence over Asia. Based on this assumption, the paper suggests that Asian strategic structure which may appear in future will be formed by a concert of powers of major countries, including the United States, China, Japan, India, Russia and a potentially unified Korea, if it be realized. As its bases, the paper is pointing out a relative decline of American power in Asia and an existence of the trends in which major powers will form the mini-lateral architecture rather than traditional bilateral or multilateral approaches when tackling the issues. We have taken up this paper in the assessment of this monthly report, considering that information may be useful for readers to study the Japan's Asian diplomacy and defense policy as well as strategy based upon them.

1. Information Digest

1.1 Maritime Security

December 1 “The Australian navy ship joins CTF-151” (Royal Australian Navy HP, December 1, 2010)

Joining the Coalition Maritime Force (CMF) on a counter-piracy mission- CTF-151, the Australian naval frigate HMAS *Melbourne* has commenced counter-piracy patrols in the Gulf of Aden and Somali Basin on the 1st. The HMAS *Melbourne* is set to return to Sydney in February 2011.

Refer to the article: HMAS *Melbourne* joins Combined Task Force to fight piracy

http://www.navy.gov.au/HMAS_Melbourne_joins_Combined_Task_Force_to_fight_piracy

December 1 “Kenyan prime minister wants Somali piracy court set up” (Reuters, December 1, 2010)

Kenya wants a special Somali court to try suspected pirates set up in a third country, Prime Minister (PM) Raila Odinga told parliament on the 1st.

Refer to the article: Kenya wants Somali piracy court set up in region

<http://af.reuters.com/article/tanzaniaNews/idAFLDE6B01RX20101201?feedType=RSS&feedName=tanzaniaNews&sp=true>

December 5 “Bangladesh-flagged ship seized by Somali pirates” (BBC News, December 5, and Daily News & Analysis, December 7, 2010)

On the evening of the 5th, the Bangladeshi-flagged bulk carrier MV *Jahan Mori* (44,377DWT) was hijacked by Somali pirates in the waters around the Lakshadweep group of islands, some 275 nautical miles west of Kochi in India. The Somali pirates have been seizing ships increasingly far away from their homeland, which is so close to India. The ship has 25 Bangladeshi crewmembers on board.

Refer to the article: Bangladesh 'ship seized by pirates' off India

<http://www.bbc.co.uk/news/world-south-asia-11923676>

Navy ship rescues Thai national thrown overboard by pirates

http://www.dnaindia.com/india/report_navy-ship-rescues-thai-national-thrown-overboard-by-pirates_1477984

【Related Story】

“Indian naval vessel rescues crews of Thai fishing boat” (Daily News & Analysis, December 7, 2010)

On the evening of the 4th, a Thai crewmember of the Thai-flagged fishing boat *Plantalay 12* thrown into the sea by pirates was rescued by the Indian navy destroyer INS *Krishina* about 350

nautical miles off Minicoy Island in the Lakshadweep Island chain. The fishing boat, together with *Prantalay 11* and *Plantalay 14*, was hijacked on April 14, and they are believed being used as a mother ship by Somali pirates respectively. The *Prantalay 12* was the second mother boat confirmed in the eastern Arabian Sea.

Refer to the article: Navy ship rescues Thai national thrown overboard by pirates

http://www.dnaindia.com/india/report_navy-ship-rescues-thai-national-thrown-overboard-by-pirates_1477984

December 6 “Estonia sends personnel to EUNAVFOR” (EU NAVFOR Public Affairs Office, Press Release, December 6, 2010)

Since November 24, Estonia has contributed to the fight against piracy off the Somalia coast with the provision of a Vessel Protection Detachment (VPD), which will initially be operating onboard the EUNAVFOR German navy’s frigate FGS *Hamburg*.

Refer to the article: Estonia becomes the 26th nation to contribute to EUNAVFOR – Operation ATALANTA

<http://www.eunavfor.eu/2010/12/estonia-becomes-the-26th-nation-to-contribute-to-eunavfor-%e2%80%93-operation-atalanta/>

December 7 “Somali pirates freed Saudi-flagged tanker” (Reuters, December 9, 2010)

On the 7th, Somali pirates freed the Saudi-owned products carrier, MT *Al Nisr al Saudi* (5,136DWT). The tanker had been on its way from Japan to Jeddah when it was hijacked on March 1.

Refer to the article: Somali pirates free Saudi cargo vessel

<http://af.reuters.com/article/topNews/idAFJJOE6B804I20101209>

December 10 “Liberian-flagged vessel hijacked by Somali pirates” (CNN, December 10, 2010)

On the 10th, the Liberian-flagged container ship operated by a U.S. company- the MV *MSC Panama* (26,288DWT) - was hijacked by Somali pirates in waters about 80 nautical miles east of the Tanzanian-Mozambique border.

Refer to the article: Hijacking off Tanzania shows expansion of pirate activity, Navy says

<http://edition.cnn.com/2010/WORLD/africa/12/10/somalia.pirates.hijacking/index.html>

December 11 “Panamanian-flagged vessel hijacked by Somali pirates” (EU NAVFOR Public Affairs Office, Press Release, December 12, 2010)

On the early morning of the 11th, the Panamanian-flagged bulk carrier - MV *Rnenuar* (70,158DWT) - was pirated by Somali pirates approximately 1,050 nautical miles east of the Somali coastal village of Eyl and a distance of 550 nautical miles from the west coast of India. The vessel is manned by 24 Filipino crewmembers.

Refer to the article: MV RENUAR pirated in the Indian Ocean

<http://www.eunavfor.eu/2010/12/mv-renuar-pirated-in-the-indian-ocean/>

December 11 “Somali pirates free Greek vessel” (EU NAVFOR Public Affairs Office, Press Release, December 11, 2010)

On the 11th, Somali pirates released a Liberian-flagged, Greek-owned bulk carrier, the MV *Eleni P* (72,119DWT).

Refer to the article: Pirated MV ELENI P released

<http://www.eunavfor.eu/2010/12/pirated-mv-eleni-p-released/>

December 20 “Panamanian-flagged vessel hijacked by Somali pirates” (EU NAVFOR Public Affairs Office, Press Release, December 20, 2010)

At midday on the 20th, Somali pirates hijacked the Panamanian-flagged, UAE owned bulk cargo vessel - MV *Orna* (27,915 DWT) - in the Indian Ocean, approximately 400 nautical miles North East of the Seychelles.

Refer to the article: MV ORNA pirated in the Indian Ocean

<http://www.eunavfor.eu/2010/12/mv-orna-pirated-in-the-indian-ocean/>

December 25 “Somali pirates seize Thai-flagged ship” (Reuters, December 25, 2010)

On the early morning of the 25th, Somali pirates seized the Thai-flagged bulk carrier MV *Thor Nexus* (20,410DWT) some 350 nautical miles east of Salalah, Oman.

Refer to the article: Suspected Somali pirates seize Thai-flagged ship

<http://af.reuters.com/article/somaliaNews/idAFLDE6BO01O20101225>

December 25 “Taiwanese fishing captured by Somali pirates” (EU NAVFOR Public Affairs Office, Press Release, December 30, 2010)

During the morning of 25th, the Taiwanese-owned fishing vessel FV *Shiuh Fu No 1* is believed to have been hijacked by Somali pirates approximately 120 nautical miles off the North-East tip of the island of Madagascar in the Indian Ocean.

Refer to the article: Taiwanese fishing vessel pirated off Madagascar

<http://www.eunavfor.eu/2010/12/taiwanese-fishing-vessel-pirated-off-madagascar/>

December 27 “Japanese Transport Ministry releases ‘ Investigation Report on Cause of Incident to Japanese Tanker in the Strait of Hormuz’” (Reuters, December 27, 2010)

Regarding the accident in which damage was caused to the hull of the Japanese tanker owned by the Shosen (Merchant Shipping) Mitsui Ltd., MT *M. Star*, in the Strait of Hormuz in July, the Japanese Transport Ministry released on the 27th a report that, although the accident is likely to

have been caused by explosives, whether or not it was an attack could not be determined.

Refer to the article: Explosives likely caused damage to tanker: Japan

<http://www.reuters.com/article/idUSTRE6BQ1NJ20101227>

‘Investigation Report on Cause of Incident to Japanese Tanker in the Strait of Hormuz’ by the Japanese Transport Ministry (Japanese): <http://www.mlit.go.jp/common/000132803.pdf>

December 27 “Somali pirates hijack German vessel” (EU NAVFOR Public Affairs Office, Press Release, December 28, 2010)

In the early hours of the 27th, Somali pirates hijacked the general cargo ship MV *Ems River* (5,200DWT), which is Antigua/Barbuda-flagged and German owned, approximately 175 nautical miles North East of the port of Salalah, Oman.

Refer to the article: MV EMS RIVER pirated in the Indian Ocean

<http://www.eunavfor.eu/2010/12/mv-ems-river-pirated-in-the-indian-ocean/>

December 28 “Somali pirates free German vessel” (EU NAVFOR Public Affairs Office, Press Release, December 28, 2010)

On the 28th, Somali pirates released the Marshall Island-flagged and German-owned chemical tanker MT *Marida Marguerite* (13,168DWT). The chemical tanker was taken by pirates approximately 120 nautical miles South of Salalah, Oman on May 28.

Refer to the article: MV MARIDA MARGUERITE released

<http://www.eunavfor.eu/2010/12/mv-marida-marguerite-released/>

1.2 Military Developments

December 3 “Chinese naval vessel visits Danang, Vietnam” (Xinhua, December 3, 2010)

On the 3rd, the guided-missile frigate *Xiangfan* of the Navy of the Chinese People's Liberation Army called at the Port of Danang in the central part of Vietnam after completing the 10th China-Vietnam joint naval patrol in the Beibu Gulf (Gulf of Tonkin).

Refer to the article: Chinese frigate *Xiangfan* arrives in Vietnam for friendly visit

http://eng.mod.gov.cn/TopNews/2010-12/04/content_4212299.htm

December 8 “India plans new East Coast Navy bases” (Defense News, December 8, 2010)

India is planning to set up certain naval infrastructure at two places on the East Coast. The locations of the new facilities have not been announced. But the Indian Navy has bases at Vishakapatnam (on the East coast), Karwar, Mumbai and Kochi (on the West coast respectively) at present. According to sources in the Indian Navy, the two installations could house future

submarines. The construction of naval infrastructure is a sign of the extra emphasis the country is placing on its defenses against China, analysts here say.

Refer to the article: [Eying China, India Plans New East Coast Navy Bases](http://www.defensenews.com/story.php?i=5189187&c=SEA&s=TOP)

<http://www.defensenews.com/story.php?i=5189187&c=SEA&s=TOP>

December 10 “US, China resume military exchange” (Global Times, December 13, 2010)

On the 3rd, China and the US resumed military exchanges as senior defense officials from both sides held talks in Washington and agreed that US Defense Secretary Robert Gates would pay a visit to China on January 10 – 14, 2011. The two sides also agreed that Chen Bingde, chief of the general staff of the PLA, would visit the US at a mutually convenient date in 2011.

Refer to the article: [China resumes military exchanges with US](http://world.globaltimes.cn/asia-pacific/2010-12/601175.html)

<http://world.globaltimes.cn/asia-pacific/2010-12/601175.html>

December 13 “Russian Delta-IV class SSBN modernized” (Barents Observer, December 13, 2010)

On the 13th, the Russian *Delta-IV* class strategic nuclear submarine K-407 *Novomoskovsk* was launched from the shipyard in Severodvinsk after overhaul and modernization. The modernization has prolonged the submarine’s service time with ten years. The *Novomoskovsk* is the sixth nuclear submarine of the *Delta-IV* class to be modernized in course of the last eleven years.

Refer to the article: [Modernized submarine launched](http://www.barentsobserver.com/modernized-submarine-launched.4860149.html)

<http://www.barentsobserver.com/modernized-submarine-launched.4860149.html>

December 14 “China’s Out of Area Naval Operations: Report of US Institute for National Strategic Studies” (Center for Strategic Research, Institute for National Strategic Studies, National Defense University, December 14, 2010)

On the 14th, the U. S. Institute for National Strategic Studies issued a report which carried out an analysis of China’s out of area naval operations titled “China's Out of Area Naval Operations: Case Studies, Trajectories, Obstacles and Potential Solutions.” While mentioning that, for the navy of any nation, if it conducts its out of area operations far away from its homeland, it is essential to have accesses to overseas facilities and bases, the report points out that: (1) Presently, China has no networks of facilities and bases; and (2) possession or absence of such a network may ultimately be the best indication of judging China’s future intentions.

Refer to the article: [China's Out of Area Naval Operations](http://www.ndu.edu/inss/news.cfm?action=view&id=58)

<http://www.ndu.edu/inss/news.cfm?action=view&id=58>

Report: <http://www.ndu.edu/inss/docUploaded/ChinaStrategicPerspectives3.pdf>

December 16 “China admits carrier building program: China’s Maritime Development Report 2010” (The Asahi Shimbun, December 16, 2010)

The Asahi Shimbun dated the 16th reports it is distinctly described that China has embarked on an aircraft carrier building program, part of a grand strategy to build itself up as a maritime power in 2009 in the annual national ocean development report “China’s Maritime Development Report 2010” which was compiled by the State Oceanic Administration. (Note: The report was released in May 2010.)

Refer to the article: China writes clearly in its official document that Beijing is building an aircraft carrier to “build itself up as a maritime power.”

<http://www.asahi.com/international/update/1215/TKY201012150551.html>

December 17 “Russia begins building new type of frigate” (RIA Novosti, December 18, 2010)

The construction of the first Project 11356 *Krivak IV* frigate for Russia's Black Sea Fleet has begun at the shipyard in Kaliningrad on the 17th, according to the Russian Navy. The shipyard won a tender to build three Project 11356 *Krivak IV* frigates. The shipyard in Kaliningrad is currently building three Project 11356 frigates for the Indian Navy. The first warship will be handed over to India in mid-2011. The two others will be delivered by the end of 2012.

Refer to the article: Russia to begin building first Project 11356 frigate for Black Sea Fleet on Saturday

<http://en.rian.ru/russia/20101218/161828394.html>

December 24 “Russia opts to purchase amphibious assault ships from France” (RIA Novosti, December 25, 2010)

On the 24th, Russia opted to purchase *Mistral*-class helicopter carriers from France. At the initial stage, two *Mistral*-class helicopter carriers will be built jointly by France and Russia at the French shipyard. Another two will be constructed later at the Russian shipyard. The first *Mistral*-class ship is expected to be built within 36 months after Russia makes an advance payment scheduled for January 2011.

Refer to the article: Russia opts for French Mistral-class warships for its Navy

http://en.rian.ru/military_news/20101225/161928326.html

【Related Story】**“Background of purchasing the landing ship” (RIA Novosti, December 15, 2010)**

RIA Novosti dated December 12 carries an article of a military analyst, in which he mentioned the background of purchasing the *Mistral* class amphibious landing ships as follows: (1) At present, Russian shipbuilding industry does not have the capacity to design and build such amphibious landing ships. By building the ships under license, the Russian shipbuilding industry will get the big benefits. (2) It looks likely that the first ships of the *Mistral* class amphibious landing ships (LHA) will be deployed to the Pacific fleet. Stationed near the Kurils, a *Mistral* and

similar ships (LHA) could serve as a mobile base, providing effective support for troops stationed on remote islands.

Refer to the article: Mistral deal seals Russia-France special relationship

<http://en.rian.ru/analysis/20101215/161790887.html>

December 27 “Chinese navy fleet visits Indonesia” (Xinhua, December 27, 2010)

Having completed the counter-piracy operations in the Gulf of Aden, the Chinese 7th escort taskforce to Somalia comprising amphibious landing ship *Kunlunshan*, destroyer *Lanzhou* and supply ship *Weishanshu* arrived in the Port of Tanjung Priok, Indonesia on the 27th.

Refer to the article: Chinese Navy Fleet Visits Indonesia

<http://english.cri.cn/6909/2010/12/27/45s612139.htm>

December 27 “China’s anti-ship ballistic missile achieves initial operational capability: Commander of the U.S. Pacific Command” (Asahi.com, December 28, 2010)

On the 27th, Adm. Robert Willard, Commander of the U. S. Pacific Command, said at interview with the Asahi Shimbun that the Chinese anti-ship ballistic missile, DF-21D, has achieved initial operational capability (IOC) now.

Refer to the article: (Full text at an interview) U.S. Commander says China aims to be a 'global military' power

<http://www.asahi.com/english/TKY201012270241.html>

1.3 Maritime Boundaries

December 13 “Malaysia, Brunei ink pact for joint development of oil and gas field” (The Star, December 13, 2010)

On the 13th, Malaysia and Brunei signed an agreement to jointly explore and produce oil and gas in deepwater blocks offshore the Brunei-Sarawak border in northern Borneo. The deal will see the national petroleum companies of Malaysia and Brunei partaking in joint exploration and production for oil and gas over the next 40 years.

Refer to the article: Malaysia, Brunei ink historic pact for joint oil exploration

<http://thestar.com.my/news/story.asp?file=/2010/12/13/nation/20101213143342&sec=nation>

December 15 “China refuses talks on Paracel Islands” (People Daily Online, December 15, 2010)

China and Vietnam have been engaged in discreet negotiations over South China Sea disputes for the past year, but Beijing is refusing to consider discussions over its occupation of the Paracel Islands.

Refer to the article: China refuses to yield on Paracels

<http://www.peopleforum.cn/redirect.php?fid=11&tid=55192&goto=nextoldset>

December 22 “Indonesia needs 39 subs to protect marine sovereignty: RI Navy” (Indonesia Views.com, December 22, 2010)

On the 22nd, Indonesian Deputy Naval Chief of Staff Vice Admiral Marsetio said the Indonesian Navy (TNI AL) needs 39 more submarines to protect the country’s vast marine territory against external threat.

Refer to the article: RI needs 39 more submarines

<http://www.indonesiaviews.com/ri-needs-39-more-submarines.html>

December 23 “China steps up patrols near Senkaku Islands” (Channel News Asia, December 24, 2010)

On the 23rd, Zhao Xingwu, Director of Fisheries Administration under the Chinese Ministry of Agriculture said: “Regular patrols to safeguard fishing around the Diaoyu islands (known as the Senkaku islands in Japan) in the East China Sea will be organized in 2011.”

Refer to the article: China pledges regular patrols near disputed islands

http://www.channelnewsasia.com/stories/afp_asiapacific/view/1100993/1/.html

1.4 Diplomacy and International Relations

December 2 “Singaporean analyst’s views about China’s position on the South China Sea” (RSIS Commentary, No. 162, December 2, 2010)

Yang Fang, an Associate Research Fellow at the S. Rajaratnam School of International Studies (RSIS) in Singapore has contributed to the RSIS Commentary 162 an article on China’s policy in the South China Sea titled “China’s Position on the South China Sea: Problems and Progress.” Regarding China’s policy on the South China Sea, the report evaluates that China has recently begun discussions with ASEAN countries to formalize the “2002 Declaration of Conduct of Parties (DOC) dealing with the South China Sea territorial dispute” while pointing out the necessity of the binding “code of conducts”.

Refer to the article: China’s Position on the South China Sea: Problems and Progress

<http://www.rsis.edu.sg/publications/Perspective/RSIS1622010.pdf>

December 15 “Security in the Indo-Pacific Commons: Toward a Regional Strategy” by Michael Auslin” (The American Enterprise Institute, December, 2010)

On the 15th, Michael Auslin, Director of Japan Studies at the U. S. think-tank, The American Enterprise Institute, issued a 32-page report titled “Security in the Indo-Pacific Commons: Toward a Regional Strategy.” In this report, Auslin mentions that, due to its economic strength,

military power, and political dynamism, the Indo-Pacific will be the world's most important region in coming decades, and its significance will be felt throughout the globe. Based on this understanding, in order to maintain regional stability and prosperity, the security of "Commons"-the open sea, air lanes, and cyber networks that link the region together to the world - is the key. Therefore, American strategy should have three parts: first, an enhanced superior forward-based military presence in the region; second, an innovative new approach to allies and partners; and, third, a political goal of helping create a more liberal Indo-Pacific region.

December 22 "US expert's views on Japan's National Defense Program Guidelines" (The Wall Street Journal, December 22, 2010)

Michael Auslin, director of Japan studies at the U. S. think tank, The American Enterprise Institute, contributed to *The Wall Street Journal* dated the 22nd an article titled "Japan's Posture Against Chinese Posturing," in which he commented on the "Japan's National Defense Program Guidelines (NDPG) after the FY 2011" approved at a Cabinet meeting on the 17th. Regarding the NDPD, Auslin commented that Japan has recognized that the most likely threats to its national interests now come from China, and has shifted its strategic focus accordingly.

Refer to the article: Japan's Posture Against Chinese Posturing

http://online.wsj.com/article/SB10001424052748704774604576035071311120978.html?mod=WSJ_Opinion_LEFTTopBucket

1.5 Shipping, Shipbuilding and Harbors

December 2 "Myanmar, Thailand work for building Dawei deep seaport" (iStock Analyst, December 2, 2010)

The framework agreement to build the Dawei deep seaport in Myanmar and its related infrastructure signed between the Myanmar Port Authority and the Italian-Thai Development Public Company (OTC:ITHVF) is targeted to complete in 10 years in three phases. The project, which costs 13 billion U.S. dollars, includes construction of Dawei Deep Seaport, buildings for shipyard and maintenance work, establishment of zone, petrochemical industries, oil refinery, steel plant, power stations and Dawei-Bangkok motor road and railroad and laying of oil pipeline along the motorway and railroad. The project stands as a strategic one which lies within the east-west corridor of Asia. On completion, the deep-sea port will play role in removing trade barrier in some regions in Asia.

Refer to the article: Myanmar, Thailand work for building major deep seaport

<http://www.istockanalyst.com/article/viewiStockNews/articleid/4711529>

December 6 “Norway’s DNV unveils LNG-fueled VLCC concept design” (Marine Log, December 6, 2010)

Norway’s Classification Society, Stiftelsen Det Norske Verita (DNV) has unveiled an LNG-fueled very large crude oil carrier (VLCC) *Triality* concept design that obviates the need for ballast water. *Triality*, as its name indicates, fulfils three main goals: it is environmentally superior to a conventional crude oil tanker, its new solutions are feasible and based on well known technology, and it is financially attractive compared to conventional crude oil tankers.

Refer to the article: DNV unveils concept design for LNG-fueled VLCC

<http://www.marinelog.com/DOCS/NEWSMMIX/2010dec00063.html>

December 16 “Russian shipping company to build multifunctional icebreaking supply vessels” (Marine Log, December 16, 2010)

Russia's Sovcomflot is building two Multifunctional Icebreaking Supply Vessels (MIBSV's) in Finland. The MIBSV's will be delivered by spring in 2013 to be used as supply vessels for the platform in the Sakhalin gas field.

Refer to the article: Helsinki shipyard to build two icebreaking supply vessels for Sovcomflot

<http://www.marinelog.com/DOCS/NEWSMMIX/2010dec00160.html>

December 27 “China’s Zhanjian port VLCC terminal begins operation” (Maritime Connector, December 28, 2010)

On the 27th, a newly constructed VLCC-size oil terminal in Zhanjiang port in Guangdong Province was put into operation. Zhanjiang port now boasts two VLCC-size oil terminals, one 250,000DWT iron ore terminal and a 150,000dwt coal terminal, with annual capacity of some 16.8m tons.

Refer to the article: South China’s largest oil terminal begins operation

<http://www.maritime-connector.com/NewsDetails/11109/lang/English/South-China-s-largest-oil-terminal-begins-operation.wshtml>

December 29 “Large ship delivery hit record number of 61 in 2010” (The Journal of Commerce Online, December 29, 2010)

A record 61 container ships of more than 7,500 TEUs capacity (Very/Ultra Large Container Ships : VLCS/ULCS) were delivered in 2010. In 2011, 76 V/ULCS are scheduled for delivery, of which 49 exceed 10,000 TEUs.

Refer to the article: Large Ship Delivery Hit Record Numbers in 2010

<http://www.shippingdigest.com/maritime/large-ship-delivery-hit-record-numbers-2010>

1.6 Ocean Resources, Energy, Marine Environment and Others

December 22 “ADB, Partners to help manage Pacific's marine resources against climate change” (The Financial, December 22, 2010)

The Asian Development Bank (ADB), the Global Environment Facility (GEF), and the Australian Institute of Marine Science (AIMS) are helping five Pacific countries manage their marine resources in the Coral Triangle.

Refer to the article: ADB, Partners To Help Manage Pacific's Marine Resources Against Climate Change

http://finchannel.com/Main_News/Business/77949_ADB,_Partners_To_Help_Manage_Pacific's_Marine_Resources_Against_Climate_Change/

2. Intelligence Assessment

Review on “Power and Choice: Asian Security Futures”

In June 2010, the Lowy Institute for International Studies in Australia issued a special paper titled “*Power and Choice: Asian Security Future*” (hereinafter as the Paper).¹

Prospecting next 15-20 years, this Paper has been compiled with a purpose of “examining the implications by setting the possible scenes, not by predicting the future in Asia,” which is a voluminous work of over a hundred pages. The structure of the report is composed of six chapters - Chapter 1: American primacy; Chapter 2: An Asian balance of power; Chapter 3: A concert of Asia; Chapter 4: Chinese primacy; Chapter 5: Strategic shocks; and Chapter 6: Conclusions.

According to the analyses of the Paper, the power relations in Asia remain fluid, and the future strategic environment in Asia is formed by respective powers of major countries that exert influence over Asia. Based on this assumption, the Paper suggests a possibility that Asian strategic order which is likely to occur in future will be shaped by a concert of powers of major countries, including the United States, China, Japan, India, Russia and a potentially united Korea. As its grounds, the Paper is pointing out that the American power in Asia is relatively declining and there is a trend, in which major countries are inclined to form the minilateral architecture rather than traditional bilateral or multilateral approaches when tackling the issue.

On a visit to the Ocean Policy Research Foundation (OPRF) in October 2010, two authors of the Paper, Rory Medcalf and Raoul Heinrichs, discussed the Asian strategic structure in the near future and the rise of China with the Japanese researchers and working-level members. From now on, based on this researching paper, it is said that the Lowy Institute is planning to begin researching into practically tackling the dialogue, cooperation, partnership, and confidence-building measures, among others, for stabilization of the national security environment in Asia.

Considering that this Paper will be useful as reference information to those who are studying Japan’s Asian diplomacy and defense policy as well as strategy based on them, I would like to review the Report, adding some comments on it, as follows:

1. Gist of Article

(1) Chapter 1: US primacy

(a) Decline of American primacy

As an American decline has been recognized by many people, nations in Asia are developing relations with China. However, compared with China, the United States continues to maintain superiority in Asia with its economy which is three times the size of China’s. As for defense expenditure, that of the United States ranking top in the world exceeds the combined defense

¹ Malcolm Cook, Paoul Heinrichs, Rory Medcalf, Andrew Sheaer, *Power and Choice: Asian Security Futures*, Lowy Institute for international Policy 2010, Lowy Institute, June 2010, ISBN: 9781920681616.

spending of the next 34 countries, many of which ranking after second are themselves US allies. (p. 2)

Regarding the recognition of American decline, three excessive reactions could be pointed out. As one of them, there is a tendency to overestimate a country's total gross domestic product (GDP) and equating it with nation's influence over the world. For instance, Italy's GDP is 1.7 times larger than Russia's, but to say from the influence over the global strategic environment, Moscow wields much more strategic weight than Rome. Thailand's GDP is roughly equal to Saudi Arabia's. Yet Saudi Arabia's strategic influence is undoubtedly much greater. Second is excessive recognition of a decline of US economy. Certainly, economic power is declining, if compared with time when the United States was a hyper-power at the beginning of the George W. Bush era. However, looking relatively, in fact, US economy in the world has remained the same. Third is the gridlock of thinking based on the excessive evaluations. American Liberals are disillusioned with the interventionist policies associated with the Bush era (2000 – 2008). Realists are concerned with America's supremacy in the balance of power. Scholars and policymakers outside the United States consider that US primacy fell through. As a result, many groups are providing the people, who advocate that the United States is declining, with many different pieces of information. (pp. 15-16)

According to IMF estimates, in 2009 the US economy was three times larger than China's. (p. 16) The US military expenditure accounted for 45 percent of total defense spending of the world, maintaining a large forward-deployed military force. Regarding the soft power, the United States is the paramount global power intellectually. While China is the world's largest source of migrants, the United States continues to host the increasing number of immigrants. (p. 17)

(b) American interest in Asia

As the global shift of power to Asia is noted by the rise of China, the United States is shifting more and more focus to Asia. (p. 2) Regarding Asia, the United States has been dealing with the rise of China, Islamist terrorism and North Korea's nuclear issues and others comprehensively. Looking at the bilateral relations, the United States has been building up steadily the relations with other nations, in addition to traditional countries of Australia, Japan and Korea. Washington commenced security dialogue with Indonesia in 2001, and agreed to provide Jakarta with military education and training programs. As to Thailand and the Philippines, America rebuilt relations with them by 2003 respectively, and has also been developing security cooperation with Vietnam and India. Moreover, the United States announced in 1999 that Singapore could make its Changi Naval Base available to Washington. In his speech at the 2008 Shangri-La Dialogue in Singapore, U.S. Secretary of Defense Robert Gates said: "America, as a resident power, plays many roles in Asia, including the maritime security, with allies and friends." (p. 19)

In Asia, although the United States established the hub and spoke alliance system on the basis of the architecture of bilateral relations, Washington focused on participation in the multilateral institution after the Cold War, and hosted the Asia Pacific Economic Cooperation (APEC) talks and others in 1993. In the recent years, having promoted minilateralism, the United

States was the key protagonist in the formation in 1998 of Trilateral Coordination and Oversight Groups that brings together the United States with Japan and South Korea over the North Korean nuclear issues. This was followed by the creation of the Six-Party Talks in 2003. In 2006, Washington realized the Trilateral Strategic Dialogue of Japan, US, and Australia. As part of security in the Indian Ocean, the United States participated in the Malabar exercise hosted by India, and conducted the Cobra Gold Exercise with Thailand in Southeast Asia, inviting many observing nations. (pp. 20-21)

(c) Reactions of Asian countries

Most countries in Asia seem to be bandwagoning with the United States so as to balance against China's future power potential, rather than using the rise of China as a counter-weight to American primacy. (P. 22) In fact, looking at the moves of the respective countries in Asian region, it is clear that these nations are trying to strongly support the continuing American primacy. Most countries in Asia wish for the stability by the continued U. S. commitment rather than building new regime for security in Asia. (p. 24)

(2) Chapter 2: An Asian balance of power"

(a) Future of an Asian balance of power

The change of an Asian balance of power is born in proportion to a decline of American influence on Asia. Even today, it is unlikely that Asia's security is decided by the choice of a single nation of the United States. Rather, it is formed by competition among the United States, India, China, and Japan. From now on, China aims to impose limits on America's free activities, and Japan and India, in turn, are adjusting their policies to balance China. In addition to these four major countries, Russia, Indonesia, Vietnam and a potentially unified Korea could play roles in Asia's balance of power in future. (p. 3)

For a long time, US supremacy in Asia has been exercised through hub and spokes relations with Japan, South Korea, Australia, the Philippines, and Thailand. After the end of the Cold War, in addition to these countries, the United States established relations with Vietnam and Indonesia. While maintains alliance with the United States, Japan formed a posture of security cooperation with Australia and India in 2007. On the other hand, Australia developed ties with Indonesia and South Korea. At present, responding to the rise of China, Japan is intending to strengthen trilateral ties of Japan, United States and Australia, or four-nation relations of Japan, the US, Australia and India, and relations with South Korea. But, in each case, enhancement of relations with the United States is a prerequisite condition. (p. 27)

Nor has China remained a bystander on this situation. Changing its traditional policy of settling the problems in the region bilaterally since the latter part of 1990s, China began to deepen relations with the Association of South East Asian Nations (ASEAN). It is considered to have been responding to the influence of Japan and the United States. This change of Chinese policy made a balance of power in Asia fluid. (pp. 27-28)

(b) Balance of power dynamics in Asia

The key player of changing balance of power in Asia is, without doubt, China, with its driving force of economy and naval force. Particularly, the naval force as anti-access capability is likely to diminish American military influence. In order to suppress instability of security environment and occurrence of military conflicts caused by the change of balance of power, making corresponding rules on military activities and confidence-building measures are essential. (p. 28)

Well then, Japan's choices would give serious influence over regional balancing dynamics. Japan has serious domestic problems such as 'lost decade' and a rapidly ageing populations, which have been influencing on its diplomacy and national security. The previous government of the Liberal Democratic Party (LDP) had a manifest of maintaining and strengthening the security ties with America. However, the present government of the Democratic Party of Japan (DPJ) adopted a more independent foreign policy while maintaining the Japan-US relations. The DPJ has also embarked on strengthening relations with China and nations in the East Asian region (rather than Asia-Pacific region). On the other hand, DPJ caused the situation which might endanger the Japan-US alliance over the US military bases in Japan at the beginning of its administration. However, at present, defense planners in Japan do not hide alertness to China, which may change Japan's strategic thinking drastically. Hatoyama's administration tried to enlarge trade while closing eyes to the differences between the two nations. But, the trade bears relations of strategic competition, wherein the difference of values become visible, and there is a limit in deepening relations with Beijing. Recently, Foreign Minister (Katsuya Okada at the time of making this report) has reaffirmed that the Japan-US alliance is the 'linchpin'. However, Japanese influence is limited by constitutional constraints. Nevertheless, Japan's economy and defense power remain strong, and will continue to maintain influence over the region. (pp. 29)

South Korea will be a geopolitical "swing power" in northeast Asia. The trilateral relations of Japan, US, and South Korea will be strengthened through North Korean issues. South Korea signed a joint security statement with Australia in 2009. Buildup of relation of four-nations of Japan, the United States, South Korea and Australia is considered. If North Korea collapse and a reunified Korea be born, it would potentially a nuclear-capable one, and the moves of the reunified Korea will be one of the key variables in an Asian balance of power. (p. 30)

India is thickening its security links with Asia-Pacific region nations – for example through the declaration with Japan, and hosting the Malabar exercise by inviting the US, Australia, Japan, and Singapore, among others. On the other hand, Asian nations are approaching India under the situation where the importance of Indo-Pacific sea-lane is enhanced by Asia's growing dependence on energy, which is bearing a momentum to buildup of Indo-Pacific security system. Meanwhile, even though New Delhi is shifting its diplomatic policy from former non-alliance doctrine, India will not become a perfect ally of the United States. India's economic links with China are flourishing. (p. 31)

Russia continues to focus its attention on west, toward Western Europe, and it seems that Moscow is making concessions to China for a while. Nevertheless, Russian energy supply capability and its military power have a definite influence on Asia. (p. 31)

Indonesia, Singapore and Vietnam are moving to strengthen relations with the United States. Cambodia, Myanmar and Laos are carrying out a policy oriented toward China. Beijing is also emphasizing relations with these countries to build land transport networks and pipelines. (p. 32)

(c) The US role in an Asian balance of power

Although US primacy is already declining, it continues to have strong power and plays a critical role in the regional strategic balance. However, while free maneuvers of the US Navy in the inside of the so-called “first island chain” of China are getting difficult, the influence of the Chinese navy in the Indian Ocean will be increasing. Nevertheless, strategic balance in the region will not drastically change. The US military bases in Japan and South Korea will remain for the next decade. Thereafter, they may withdraw to Guam and Hawaii islands eventually. Although the 2010 Quadrennial Defense Review (2010QDR) expresses maintaining presence in East Asia, it also emphasizes need of supports from the allies. To sustain it, further supports from allies are required. (p. 32-33)

(d) Change and influence of an Asian balance of power

No strategic system is perfect, and balances of power have serious shortcomings. When they fail, the consequences can be catastrophic, as Europe found during the wars. Maintaining the equilibrium requires continual vigilance and constantly shifting alliances. If a balance moves toward an unbalance, one or other states can quickly trigger conflict. In case the region admits a sudden and unpredictable shift of power, which can be applicable to present Asia where China's strategic intentions lack transparency and military expansion is left untouched, a danger will be worsened. The decline of American influence in Asia under the situation, in which globalization gives great influence on a power balance and international system, will bring about drastic reorganization to power relations in this region. (p. 34)

What we should bear in mind is that Asian architecture is formed by economic integration and strategic competitions. The collapse of European balance of power in 1914 was caused from a collapse of the international system, but in today's Asia, economic competition is managed well. Although the unstable power balance is not desirable, if middle or smaller nations in the region could admit it, it will be accepted without causing armed conflicts, even if it is the architecture of either a concert of powers by great powers or the Chinese primacy. (pp. 34-35)

(e) Implications for regional security architecture

The major spokes of the US alliance system are likely to endure. But we are also likely to see the addition of new spokes, and the strengthening of links between the various spokes will bring about a new aspect. Strategic unilateralism is also likely to accelerate it. It seems unlikely that China will seek to counteract these trends by developing its own formal alliance system. China is likely to make use of its power in multilateral institutions to undermine US power. Perhaps, Beijing may pursue an informal, looser system. (pp. 36-37)

(3) Chapter 3: A Concert of Asia

A balance of power can provide the basis for a viable concert of powers. The concert of power is the system devised in Europe in the aftermath of the Napoleonic wars, which essentially prevented hegemonic war. If balance of power is an architecture that does not allow the primacy of one nation, a concert of powers is architecture of preventing the conflict over primacy.

A concert system is not Asiatic. Although there are opinions that Asia in 21 century is different from Europe in 19th century, it is quite conceivable in this region. In Europe, major powers designed to build a concert of powers; to constrain France from that war; to limit and manage expansionist and territorial-consolidation ambitions of Prussia and Russia; to forestall the decline of Austria, one of the powers most supportive of the concert; to preserve the common values of most participants; and to ensure that Britain could focus much of its military and economic energies elsewhere. None of these factors has a straightforward parallel in the emerging Asia, and analogies (France as China, Britain as America) tend to be artificial. Today, can't we think of replacing France by China and Britain by the United States? (p. 38-39) As mentioned at the beginning of this report, we consider that a concert of powers is based on the balance of power, and was born by giving commitment to the will of weak nations to avoid the war. It is no mistake that now is the time to create a concert of powers in Asia. However, there is no such momentum in today's Asia, and there is no guarantee that the chance of forming a concert of powers has a strong chance of enduring. (p. 40)

(a) Setting the stage: defining a concert of powers

At its simplest, a concert is an arrangement for managing power relations within a strategic system, involving voluntary consultation and restraint among the strongest countries. Such self-restraint derives not only from recognition of interests in common but also from a shared sense that the costs of war are simply not worth the possible gains. Such an idea has already been realized by the international community in tackling the prohibition of spread of weapons of mass-destruction, global terrorism or large scale of environmental disasters. (p. 41)

A concert of powers is comprised of major powers only, but this does not mean that they are necessarily or strictly each others' equals. There was little real economic or military parity among the nineteenth-century European powers Britain, France, Russia, Prussia and Austria. Nonetheless, the nations in a concert of powers are of a different order of economic and military magnitude from the rest. Each is typically integral to the regional order, and could do real harm to other major powers were it excluded. Nonetheless, major composing nations had a unified will on keeping orders in the region, and eliminated the acts of inflicting losses with one another. Also, they are preventing the weak nations from making un-proportionate behaviors. This is equivalent to today's North Korea and Myanmar. (p. 41)

The objectives of a concert of powers are:

- to prevent or manage crisis;
- to agree on strategies to manage crises involving smaller countries;
- to agree, however tacitly, to spheres of influence. (p. 42)

A concert of powers is not a formal regional institution. It is not an idea based on regionalism, nor formal institution, nor organization, nor committee. It is not an idea of nullifying the rivals. APEC and G-20 look similar to a big meeting system, but neither them is a concert of powers. (p. 42)

(b) On the ticket to a concert of power?

Which power would be in a concert of powers (COP)? That is the question. Although all nations wish to curtail Chinese ambitions, there would be no mistake in that China will be in a COP. There is also no mistake that America will be in a COP. Japan would be another contender, as a matter of course. India will join a COP as a balancer to China. Although India is required from its need of building an Indo-Pacific security system, New Delhi, being involved mainly in South Asia, could not become a player in perfect shape in the East Asia. Russia's presence cannot be neglected from energy and military power, especially as it has nuclear weapons. Although South Korea is likely to wish to become a member, it is not yet a major power, and has North Korean issues. If it be unified, it will become a powerful member. Although it is considered that East Asian nations may join as ASEAN, it would be difficult to be joined strategically.

(c) Raising the curtain

Although there are forum in Asia, including APEC, East Asia summit, and others, discussions regarding the security is narrow, and it had not developed into an architecture of settling nuclear issues, global terrorism, or settling conflicts between great powers. Looking at the diversity in Asia, including peculiar regime noted in China and others, some people may consider that a concert of powers is difficult. But in view of diversity of values, it is necessary for us to learn that variety is more visible in Europe. There is no special community like Vienna 1814-15 in Asia. Although there are regimes like APEC, ASEAN+3 and East Asia summit, major powers are more and more declined to wish for unilateral per objective, and is unlikely that the existing multilateral frameworks will become the place for discussing concert of power. (pp. 45-46)

(4) Chapter 4: Chinese primacy

Since Deng Xiaoping's economic reform, China's growth has continued. China is now becoming the second largest economic power in the world, surpassing Japan. Chinese military power has increased, threatening even the United States. Chinese diplomacy has now grown enough to pursue national interests distinctly. Most countries in the region maintain economy by their relations with China. The continuation of Chinese development depends on the continuation of its economic development. (p. 51)

Looking at the internal situation in China, especially a young generation desires a growth of life style. Also, nationalism which eyes for the recovery of disgrace in the 19th and 20th centuries is born strongly in Chinese inland, which is matching the policy of Communist Party in China. Chinese people are recognizing that it is an identity that China excels in the world. (p. 52)

(a) Why China seeks primacy

There is no doubt that China has national power to influence balance of power. Even though, China is trying to rise up patiently and forcibly and conducting diplomacy with sign boards describing on them “Peaceful Rise” and “Harmonious World”. China is growing, bearing in mind not to hurt the American interests. America accepts its policy as good. (p. 54)

Why does China work for primacy? The first reason is it wants status in the international community, which is also the means to have the people approve the legitimacy of the government. The events, including the Olympic 2008, a large scale of military parade in 2009, international fair in 2010 have shown the greatness of China. If Chinese leadership is not approved of its legitimacy or people increase dissatisfaction economically, Beijing will increase the activities to promote its status.

The second reason is that China has a doubt about that America had generous attitudes to Beijing. The Chinese government thinks that, even if it tries to rise carefully, eventually America will regard China as enemy. Therefore, China is trying to build anti-US access denial strategy. (pp. 54-55)

(b) Shape of Chinese supremacy

What kind of great power will China be? It will not become like Germany and Japan or Soviet Union in the 20th century. Yet the possibility of use of force by China cannot be discounted. Especially, over Taiwan issue, there is such possibility. Suppose China attain supremacy through hegemonic war, thereafter Beijing is likely to repeat use of force in the name of recovering the territory with confidence. China believes there are territories that have not been recovered in East and South China Seas and Himalaya. (pp. 61-62)

If China arrives at primacy, there is a danger that Beijing will bring in the a formal hierarchal order at present, For a long period of time, Asia had been under in a hierarchal, tributary system. (p. 62) Indeed, if Chinese primacy was to arise through US retrenchment, China, still facing a very powerful Japan. Behaving as if China regard equal, in fact, Beijing will build ranking international community. The existing ASEAN+3 and ASEAN+1 will be an implement of realizing Chinese thinking. It is highly likely that a concert of powers which excludes America may be built in the form of hiding Chinese primacy. A concert of powers based on Chinese thinking will be tuned into hegemony architecture by China with withdrawal of American military power. (pp. 62-63)

(5) Chapter 5: Strategic shocks

In this Chapter we take up four scenarios as “game changer” for analyses. Four scenarios are: (a) US retrenchment, (b) Chinese legitimacy crisis, (c) Middle East energy crisis, and (d) A North Korean crisis. (p. 64)

(a) US retrenchment

With decline of economic power and anti-terrorism war with no outlook, America is getting to

be “inward-looking phases” of nation. Shrinking of American involvement toward Asia surely alters security environment in the region. The Pacific War, Korean War, Vietnam War, Economic friction between the US and Japan in 1980s, Withdrawal from the Philippines – all of them can be said to have been born as the result of the decreasing involvement of the United States. (p. 64)

If the affairs, including economic degradation in the US homeland, doubts in globalization, criticism over involvement in global scale, occur, possibility of resurrection of American isolation will increase. Criticism over global scale will occur under the following conditions:

- Taiwan issue causes armed clash which causes big catastrophe;
- When Japan-US alliance broke;
- In case of failure in Middle East problems;
- In case decline of economic power caused serious problems (p. 65)

Although American power is outclassed other nations, in a long view, it is highly considered that America’s global involvement will shrink. In American community, in the next 10 years, aging will proceed and social security expense will increase, and there is a common sense of danger. Under the demand of cutting military budget, return to isolation doctrine is budding. (p. 66)

If American involvement shrinks, China’s power will relatively increase. In this case, not the concert of power, but China’s hegemony body will be born. (pp. 67-68)

(b) Chinese legitimacy crisis

From the points of structural doctrine and politics, it is regarded that the center of America is gradually shifting to China. (p. 67) However, there are causes of crises in the inland of China. At present, people’s support to the Communist Party is greater than the days in 1949, which depends on the economic growth. However, the problem of legitimacy of dictatorship by a communist party exists in China’s internal affairs. Cause of fire of independence in Xinjiang and Tibet which were not the territories of Han Dynasty exists. If there were criticism on the Communist Party, the government will execute diplomacy of power to promote domestic nationalism. China’s internal problems will make Asian security unstable. (p. 67-68)

(c) Middle East energy crisis

Oil in the Middle East will influence on the Asian economy. Eighty to Ninety percent of imported oil of Asia comes from the Middle East, and China depends on 50%, India 60%, Japan and South Korea 85 to 90% on the Middle East oil. In case a large scale of war occurs in the Middle East region, the security environment in Asia will dramatically change. The worst case of scenario is the contingency in which the sea lane is endangered over securing crude oil. (p. 69-70)

Assuming such contingencies, there is possibility that energy security cooperation may be promoted among China, Japan, and India. (p. 70)

(d) A North Korean crisis

Possibility of regime collapse of North Korea is higher than that of crises of war in 1950—

1953. After the death of Kim Jong Il, possibility is high that his successor cannot get the support of the military. If collapse in the inner circle of North Korea occurs, it is considered that China will make military intervention, but what is more likely is that South Korea and the United States will respond to it. The resolution of the UN Security Council will not be adopted as China and Russia will execute vetoes the vote. Making cooperative intervention, America, South Korea, Japan, and NATO urge a unification of the peninsula. In this case concert of power in Asia is born, and a unified Korea will be one of its members. (pp. 72-73)

(6) Chapter 6: Conclusions

In conclusion, the following can be said:

- (a) Asian countries, if regional security environment gets unstable, there is a tendency of avoiding diplomatic and defense policies that influences over the strategic environment. Also, as there is no collective regime, small or medium sized nations will be extremely passive to the decision of the great power. (p. 5)
- (b) Power relations between the nations are decided by economic power. The power of a nation decides its size by the method of moving the wealth they get from economic power. In case of China, it expands nationalism and military power.
- (c) In case of Asian countries, they have core interest, and they do not like multilateral approach to defend it. There the power of great power nations will greatly give influence.
- (d) The great powers are obliged to make following decision:
 - The United States: Will it share high cost to remain in Asia?
 - China: As power relations in Asia, which will China choose, a balance or concert?
 - Japan: Under the decreasing economy, what kind reaction will it make?
 - India: How much can it strengthen involvement in East Asia? (p. 78)
- (e) Japan's future will exert influence on Asian environment. The Japan's future is not transparent. (p. 5)
- (f) The stability of internal affairs in China is decided by its economic growth.
- (g) Confidence-building measures and bilateral dialogue will mitigate unstable situation. (p. 6)

2. Comments

The Paper is making a study of the international relations over the national security environment in Asia in the near future from the broader perspectives. Therefore, it is considered to become a superb reference-document for planning diplomatic and defense policies as well as national strategies. While avoiding the direct expression, the Paper is suggesting in every part the probability that a concert of powers by the United States, China, Japan, India and Russia will emerge in Asia. As for the reason of it, the Paper mentions: (1) change of power balance which is accompanied by a decreasing involvement of the United States in Asia and the increasing influence of China; (2) the economic ties between Asian nations and China; and (3) that, for the settlement of international issues, the view is getting strong that the minilateral architecture by a few, powerful major powers is more appropriate and direct than the existing multilateral

architecture; among others.

In addition, the Paper is pointing out that, if the U. S. involvement dramatically decrease, China may possibly establish substantial primacy while assuming an air of a concert of power. Based on it, the Paper also mentions apprehensions that, should China be successful in uniting Taiwan by force, Beijing will lower the threshold of using force, and tactics of traditional enclosure by the Chinese Empire will emerge in Beijing's diplomacy.

As this Paper was released in June 2010, no high-profile diplomatic attitudes and others noted thereafter have been adopted as the targets for analyses. How China avoids the situation in which Beijing enhances the tone of hegemony while wearing a dress of a concert of powers will be the biggest issue in Asia.

Meanwhile, so long as the U. S. strategy in Asia is not to create a single hegemony power in Asia, it will remain unchanged in future. The United States will continue to be involved in Asia for that purpose. Additionally, it is certain that the scope of its commitments would depend, first of all, on the supports from the allies. At this point, we should bear in mind that the Japan-U. S. alliance will continue to become an important presence more than ever, as it decides the trends of Asia in future.

(By Kazumine AKIMOTO, Senior Research Fellow, OPRF)

Ocean Policy Research Foundation

3F, Kaiyo Senpaku Bldg., 15-16 Toranomom 1-Chome, Minato-ku, Tokyo 105-0001, Japan
TEL.81-3-3502-1828 FAX.81-3-3502-2033

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