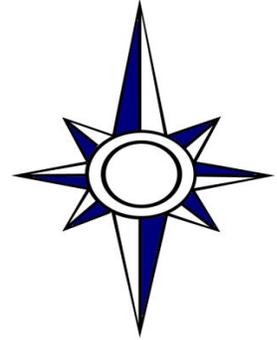


# Comparative Connections

A Triannual E-Journal on East Asian Bilateral Relations



**China-Southeast Asia Relations:**

## **China Muscles Opponents on South China Sea**

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The primary focus of attention in the relationship over the summer was the ongoing dispute over territorial claims in the South China Sea as China set forth implicit choices for the Southeast Asian disputants and others with an interest in the region. Two paths – one focused on a demonstration of China’s growing power and the other on positive aspects of Chinese engagement with Southeast Asia – are emerging as China continues to define its response to the conflict. Meanwhile, ASEAN struggled with finding a sense of unity in the face of disagreement among members regarding the territorial disputes. Elsewhere, China sought to reaffirm its friendly relations with Myanmar while seeking reassurance that the leadership in Naypidaw remained committed to previously agreed-upon projects.

### **China’s Approach to the South China Sea Disputes**

Optimism among Asian and Western commentators that China had retreated from its assertive actions in the South China Sea taken from 2009-2011 and would focus on reassuring its neighbors crumbled during this reporting period. Chinese authorities took extraordinary measures and used impressive demonstrations of Chinese security, economic, administrative, and diplomatic power to have their way in the South China Sea:

- China employed its large and growing force of maritime and fishing security ships, targeted economic sanctions, and repeated diplomatic warnings to intimidate and coerce Philippine officials, security forces, and fishermen to respect China’s claims to disputed Scarborough Shoal.
- China showed stronger resolve to exploit fishing resources in the South China Sea with the announced deployment of one of the world’s largest (32,000 ton) fish processing ships to the area and the widely publicized dispatch of a fleet of 30 fishing boats supported by a supply ship to fish in disputed South China Sea areas.
- China created a new, multifaceted administrative structure backed by a new military garrison that covered wide swaths of disputed areas in the South China Sea. The coverage was reported to be in line with China’s broad historical claims depicted in Chinese maps with a nine-dashed line encompassing most of the South China Sea. The large claims laid out in Chinese maps also were seen by foreign experts to provide the justification for a state-controlled Chinese oil company to offer nine new blocks in the South China Sea for foreign oil companies development that were far from China but very close to Vietnam,

with some of the areas already being developed by Vietnam. Against this background, little was heard in Chinese commentary of the more moderate explanation of China's territorial claims made by the Foreign Ministry spokesperson on Feb. 29, who said that China did not claim the "entire South China Sea" but only its islands and adjacent waters.

- China advanced cooperative relations with the 2012 ASEAN chair, Cambodia, thereby ensuring that the South China Sea disputes did not receive prominent treatment in documents at this year's ASEAN Ministerial Meeting. A result was strong division within ASEAN on how to deal with China, as demonstrated in a remarkable display of ASEAN disunity – the first failure in the 45-year history of the annual ASEAN Ministerial Meeting to conclude with an agreed-upon communiqué.

Chinese officials and official media commentaries endeavored to bound and compartmentalize the South China Sea disputes. Their public emphasis remained focused on China's continued pursuit of peaceful development and cooperation during meetings with Southeast Asian representatives and those of other concerned powers including the US. Thus, what has emerged is a Chinese approach having at least two basic paths.

One path showed South China Sea claimants in the Philippines, Vietnam, and others in Southeast Asia, as well as their supporters in the US and elsewhere, how powerful China had become in disputed South China Sea areas, how China's security, economic, administrative and diplomatic power was likely to grow in the near future, and how Chinese authorities could use those means to intimidate and coerce in ways short of overt use of military force to counter foreign "intrusions" or public disagreements regarding Chinese claims.

Another path forecast ever-closer "win-win" cooperation between China and Southeast Asian countries, ASEAN, and others, including the US. It focused on burgeoning China-Southeast Asian trade and economic interchange and was premised on treatment of South China Sea and other disputes in ways that avoided public controversy and eschewed actions challenging or otherwise complicating the extensive Chinese claims. In this regard, China emphasized the importance of all concerned countries to promote efforts to implement the 2002 Declaration of the Conduct of the Parties in the South China Sea (DOC). It duly acknowledged recent efforts supported by ASEAN to reach the "eventual" formulation of a code of conduct (COC) in the South China Sea, implying that the process of achieving such a code may take some time.

In sum, China appeared to set forth an implicit choice. On the one hand, based on recent practice, pursuit of policies and actions at odds with Chinese claims would be met with more demonstrations of Chinese power along the lines of path one. On the other hand, recent statements by Chinese leaders and official commentary indicated that moderation and/or acquiescence by others regarding Chinese claims would result in the mutually beneficial development seen in path two. At the end of August, the Philippines, Vietnam, and other disputants of Chinese claims did not seem to be in an advantageous position in the face of Chinese power and intimidation. ASEAN remained divided on how to deal with China. Options for the US and other concerned powers to deal effectively with the new situation of greater muscle short of military use of force in Chinese policies and practices regarding the South China Sea remained to be determined.

*Path 1: Demonstrations of power; blocking challenges at ASEAN meetings*

The face-off between Chinese and Philippine security forces over Scarborough Shoal began earlier this year following the boarding and searching of Chinese fishing boats in the shoal by Philippine security forces on April 10. The impasse played out into July. The Philippines was unable to compete with China, which used threats, restrictions on Philippine exports to China, and numerous large maritime and fishing security vessels to insure that Chinese fishermen had access to the shoal and that Philippine fishermen were excluded.

Vice Foreign Minister Fu Ying warned in early May that Beijing was ready for “any escalation” in the stand-off. Philippine diplomatic maneuvers to involve ASEAN and the United Nations in the controversy, and to imply that the US was supportive of Manila, did not improve their situation in the shoal. Neither did anti-China demonstrations in Manila. China-Philippines consultations led to a reported withdrawal in early June of Chinese security vessels from the shoal but not the surrounding waters. Later in the month, Manila withdrew its security vessels given a coming typhoon. Following the storm, the Philippines reported five Chinese security vessels along with various fishing boats were in the vicinity of the shoal. In July it was reported that China had placed barriers that prevented Philippine fishing boats from entering the shoal.

Though Chinese leaders and recent commentary have not emphasized the role of China’s military, the People’s Liberation Army (PLA), in the South China Sea disputes, the accidental grounding of a PLA Navy frigate on a South China Sea shoal also claimed by the Philippines on July 13 demonstrated that Chinese military forces are active in disputed seas. Indeed, Chinese defense officials highlighted in late June that “combat-ready” patrols were occurring in defense of Chinese claims to disputed areas of the South China Sea. Chinese commentary also highlighted the establishment of a new garrison along with a new city of Sansha on Yongxing (Woody) Island in the Paracel Island chain with jurisdiction over Chinese claims throughout the South China Sea. The establishment of Sansha city raised the Chinese administrative status of the disputed islands in the South China Sea from county to prefectural level within China’s Hainan Province. The Philippines strongly protested China’s establishment of the new city and garrison in Sansha.

Vietnam also protested the Chinese moves. On June 21, the same day that China announced this administrative upgrade for Chinese civilian and military rule in the South China Sea, Vietnam’s National Assembly passed a new law reiterating Vietnam’s claimed sovereignty over the Paracel and Spratly Islands, a move China strongly protested. China’s National Offshore Oil Corporation (CNOOC) followed on June 23 by inviting international bids for nine oil-exploration blocks within the 200 nautical mile exclusive economic zone claimed by Vietnam. The nine blocks overlap with several blocks already leased to foreign oil companies by Vietnam. Vietnam strongly protested the Chinese action and a rare anti-China demonstration took place in Hanoi on July 1. M. Taylor Fravel wrote in *The Diplomat* on June 27 that the scope and location of the CNOOC bid were in line with the broad historic Chinese rights asserted in Chinese maps. They were not in line with the more narrow definition of Chinese rights stated by the Chinese Foreign Ministry spokesperson on Feb. 29, 2012, noted above.

Backing Chinese determination to support fishing rights in the South China Seas was the announced deployment in May of a 32,000-ton fish processing ship to the area and the dispatch in July of a fleet of 30 fishing boats for over two weeks of fishing in areas including disputed South China Sea areas. An advance in the already impressive array of Chinese patrol vessels was the launching in July of a 5,400-ton ship capable of speeds of 37kph and capable of launching and landing helicopters. China's Marine Safety Administration, one of the government entities responsible for monitoring territorial waters, said in July that China would complete several more surveillance ships in the coming year.

Regarding discussion of South China Sea disputes at ASEAN and other international forums, Chinese leaders used diplomacy and other means to keep the issue off the agenda wherever possible. As noted in the previous *Comparative Connections*, Hu Jintao spent four days improving China's relations with Cambodia, leaving Phnom Penh in early April with assurance that Cambodia, the ASEAN chair, would endeavor to follow China's preference in dealing with the South China Sea issue at ASEAN gatherings in the coming year. Among other leading Chinese officials interacting with Cambodia in this reporting period, Defense Minister Liang Guanglie used a four-day visit to Cambodia in late May to solidify bilateral relations with Cambodia and, courtesy of the Cambodian officials, to hold surprise talks with Southeast Asian defense officials meeting in Phnom Penh at the time.

China's investment of top-leadership time and attention with Cambodia appeared to have paid off, judging from accounts, notably by Australian Defence Force Academy Professor Carlyle Thayer in the July 27 *Asia Times*, of the private discussion on South China Sea issues during the annual ASEAN Ministerial Meetings that ended on July 13. As in other recent ASEAN meetings, the Philippines was in the lead in insisting on discussion of Chinese "expansion and aggression" and including the South China Sea disputes in the final communiqué, a position endorsed by Vietnam. Indonesia, Malaysia, and Singapore also favored expressing concerns about the South China Sea in the meeting's communiqué. In contrast, Cambodia opposed such treatment in the communiqué. The impasse became heated and was not resolved, leading to the failure to release a communiqué from the annual meeting for the first time in 45 years.

Subsequent shuttle diplomacy by Indonesian Foreign Minister Marty Natalegawa led on July 20 to a brief statement of ASEAN foreign ministers that laid out six points on the South China Sea dealing in particular with the need for full implementation of the 2002 Declaration on the Conduct of the Parties in the South China Sea and movement toward an "early conclusion" of a regional code of conduct. The statement failed to cover major differences over approach to the South China Sea issues between the Philippines and Cambodia. In fact, Manila and Phnom Penh publicly rebuked each other, reflecting what some have called the most significant public rift in ASEAN's history.

China seemed satisfied with the overall outcome. *Xinhua* on July 20 quoted the Chinese Foreign Ministry spokesman highlighting China's high regard for ASEAN and its intention to work with ASEAN to implement "comprehensively and effectively" the 2002 Declaration of the Parties in the South China Sea, and its openness to consultations with ASEAN on a conclusion of a code of conduct in the South China Sea. The account cited a Chinese specialist for the view that the rift in ASEAN and failure to produce a communiqué at the end of the meetings in mid-July was

caused by Vietnam and the Philippines; Hanoi and Manila were said to be attempting to turn their respective disputes with China into a problem between China and ASEAN as a whole, an approach said to be unacceptable to other members of ASEAN.

*Path 2: Diplomacy, trade, and security – emphasizing the positive*

As China endeavored to compartmentalize South China Sea disputes, the bulk of recent Chinese official interchange and authoritative commentary on relations with Southeast Asia attempted to stay above the fray. On the whole, Chinese officials and official commentary remained positive as they focused on mutually advantageous, win-win diplomatic, economic, and security relations and sought to deal with Southeast Asian issues or complaints regarding China's broad claims to the South China Sea quietly or not at all. Those that deviated from this pattern and insisted on disputing Chinese claims and criticizing Chinese use of threats, coercion, and intimidation to silence the disputants included notably the Philippines and Vietnam. Manila and Hanoi often were depicted in official Chinese comments as supported by the US. When they disputed China's policies and practices in the South China Sea, the latter three countries were portrayed as selfish troublemakers seeking their own interests at the expense of a broadly advantageous trend of mutual development and convergence in Chinese-Southeast Asian relations.

Defense Minister Liang was shown in Chinese media as measured and reassuring as he met in May with his ASEAN counterparts in Phnom Penh and held an individual meeting with his Philippine counterpart. The Cambodian defense minister told the media that "it is good" for Liang to explain China's position on the South China Sea directly to his Southeast Asian counterparts. In his meeting with Philippine Defense Secretary Voltaire Gazmin, Liang reaffirmed China's claims to Scarborough Shoal and other disputed territory while encouraging his Philippine colleague to "maintain restraint" and "give priority to the overall situation."

In his meeting with the ASEAN foreign ministers on July 11, Foreign Minister Yang Jiechi reassured them of China's continued commitment to peace and development and sustained cooperative relations. He emphasized expanding business and financial cooperation, developing more maritime and land communication routes, and improving social, cultural, and other contacts. On the South China Sea, Yang placed emphasis on affirming Chinese claims and getting all parties to exercise "self restraint" consistent with China's view of the spirit of the 2002 Declaration on the conduct of the parties in the South China Sea. On the basis of full compliance with the DOC by all parties, Yang briefly noted that China is "open" to launching discussions on a code of conduct on the South China Sea "when conditions are ripe."

Yang followed the ASEAN meetings with visits to Indonesia, Brunei, and Malaysia during Aug. 9-13. He met top-level officials and focused on building close cooperation with each government and with ASEAN. Yang's meetings continued the themes of closer Chinese-Southeast Asian cooperation seen in meetings that President Hu Jintao and Prime Minister Wen Jiabao had this spring with the visiting Indonesian president and Malaysian prime minister as well as other senior Southeast Asian leaders. Yang duly reaffirmed Chinese positions on the South China Sea. Indonesian Foreign Minister Marty Natalegawa, who played a key role in hammering out the brief compromise statement of ASEAN foreign ministers issued on July 20, said he welcomed the opportunity to discuss South China Sea issues with his Chinese counterpart.

As prevailing Chinese commentary forecast mutually beneficial China-Southeast Asian relations where territorial and other disputes involving China are handled with great discretion, it tended to focus on advances in trade and investment as a result of the ASEAN-China Free Trade Agreement. *China Daily* claimed in late April that trade in 2011 reached \$362.3 billion, surpassing China's trade with Japan. It cited Chinese trade experts for the view that Chinese trade with ASEAN countries would surpass \$500 billion by 2015, predicting that year ASEAN would become China's largest trade partner, larger than the US and the European Union (EU).

For ASEAN to actually become China's leading trading partner, there would have to be little growth during 2012-2015 in China's trade with the US and substantial decline in China's trade with the EU in that period. The Chinese figure for trade with the US in 2011 was \$446.6 billion and for the EU the figure for overall trade in 2011 was \$567.2 billion. Meanwhile, assessing the significance of recent Chinese trade figures with ASEAN is complicated by the fact that ASEAN trade figures posted on the official ASEAN website appear much later than Chinese figures and the ASEAN figures consistently show a much lower level of China-ASEAN trade. Thus for 2010, the latest year available on the ASEAN website, total ASEAN-China trade was said by ASEAN to be valued at \$232 billion, whereas Chinese figures for 2010 said the value was about \$290 billion. The main reason for the difference appears to be ASEAN trade with Hong Kong, which was listed separate from China and valued at \$54.3 billion in 2010 according to ASEAN statistics. Adding \$54 billion to \$232 billion would roughly equal the amount China used in registering China-ASEAN trade for that year.

### **The role of the United States**

For most of the reporting period, Chinese officials and commentary endeavored to portray the US in a relatively positive light regarding Southeast Asia and the South China Sea. Secretary of State Hillary Clinton's meeting with Foreign Minister Yang Jiechi while both were participating in the ASEAN Regional Forum and related meetings in Phnom Penh in July were reported with many positive comments. According to *China Daily* citing Chinese experts, Clinton's "tone" in interchange with Yang and others in Phnom Penh was less sharp than at the ARF meeting in 2010; she strove to "avoid tension" in US-China relations, eschewed taking sides over disputes in the South China Sea, and kept at arm's length efforts by the Philippines to involve the US in South China Sea disputes that would negatively impact US relations with China. Earlier reporting of a speech by Assistant Secretary of State Kurt Campbell previewing the Clinton visit highlighted planned US efforts to enhance cooperation with China as the US tries to "calm disputes" in the South China Sea.

The Chinese Foreign Ministry spokesman and official commentary expressed wariness regarding the implications for China of US military deployments in Southeast Asia and elsewhere along China's rim that were highlighted by Defense Secretary Leon Panetta at the Shangri La Dialogue in June. A *China Daily* editorial nonetheless concluded on a positive note that despite differences, "cooperation dominates the relationship between Washington and Beijing."

In contrast, when the US State Department spokesman released a statement on the South China Sea on Aug. 3, China reacted quickly, sharply but briefly to what *Xinhua* saw as groundless and

irresponsible charges leveled against China that revealed US intention to “drive a wedge” between China and its Southeast Asian neighbors. The official Chinese demarche to the US charge d’affaires and the strongly worded Chinese Foreign Ministry spokesman’s statement included criticism of the US for taking sides with unnamed countries contesting Chinese claims while making unfounded charges against China.

The spokesman’s statement and a subsequent interview with *Xinhua* by Fu Ying, the vice foreign minister with responsibility for Southeast Asia, focused less on the US and more on China’s approach to ASEAN and the South China Sea. The officials’ comments endeavored to highlight the positive in Chinese relations with ASEAN, disassociate China from the split in the group over the South China Sea, and forecast a prosperous and mutually beneficial future as all sides implement the 2002 DOC. The comments reiterated that China was ready to “enter into discussions” with ASEAN countries on a COC on the South China Sea “when conditions are ripe.” The spokesman also made clear that conditions are not seen by China as ripe as “some individual countries” show no respect for or compliance with the DOC and resort to “provocative” means which undermine the DOC and “create difficulties” in discussing a COC.

### **Taiwan and the South China Sea**

Taiwan responded cautiously to the upsurge of disputed actions in the South China Sea. It has avoided the kind of diplomatic initiative seen in President Ma Ying-jeou’s call on Aug. 5 for Taiwan-China-Japan discussions over disputed islands in the East China Sea claimed by the three governments.

Taiwan reaffirmed its territorial claims in the South China Sea, which mirror those of China, complaining in a July 11 Foreign Ministry statement about “inappropriate actions” of unnamed countries bordering the South China Sea. Some Taiwan legislators pushed in May for an upgrade of weapons to defend Taiping Island (Ba Binh Island by Vietnam), the largest in the Spratly Islands, which is controlled by Taiwan, from increased intrusions by Vietnamese ships. Defense officials said in July that mortars and anti-aircraft guns would be sent to the island. On July 20, Taiwan rejected Vietnam’s protest regarding plans to extend the aircraft runway. Vietnam protested Taiwan’s announcement in August that it would hold a live-fire exercise in the area.

Media reports citing prominent Taiwan specialists said that the US government was privately concerned with Taiwan possibly expanding military deployments in the South China Sea and possibly responding positively to Chinese proposals for greater mutual cooperation over South China Sea issues. But Assistant Secretary of State Campbell told a Washington audience in late June that Taiwan has consulted closely with the US and has been “very, very careful” on South China Sea issues.

### **Assessing implications and outlook for South China Sea disputes**

A number of prominent Chinese specialists have been calling for a tougher Chinese approach to South China Sea issues, and a leading *People’s Daily* commentator in this group, with the byline Zhong Shen, said on July 26 that China is “self-assured” that its “core interests” in the South China Sea will not be challenged as it pursues cooperation with Southeast Asian countries.

By contrast, most foreign specialists agree with a major report from the International Crisis Group (ICG) in July projecting a deteriorating situation. The ICG said the “likelihood of major conflict remains low,” but an earlier Council on Foreign Relations report written by CSIS specialist Bonnie Glaser said the risk of conflict is “significant.”

A varied group of foreign specialists generally agreed with an argument seen in a lengthy Aug. 10 *Wall Street Journal* Editorial that China was behaving like a bully in the South China Sea and countermeasures from the US and others were needed. The group included Senate Foreign Relations Asian Subcommittee Chairman James Webb, ICG officer Stephanie Kleine-Ahlbrandt, East-West Center scholar Denny Roy, Michael Auslin of the American Enterprise Institute, Michael Richardson of the Institute for Southeast Asian Studies in Singapore, and Robert Manning of the Atlantic Council.

Douglas Paal of the Carnegie Endowment for International Peace argued for more US restraint and focus on a more carefully calibrated effort to support long-term US interests in the region as it deals with the rise of China. He disagreed with the State Department statement of Aug. 3 which he said undermined the US stance of impartiality in South China Sea territorial disputes.

Singapore’s Kishore Mahbubani argued it was China that was making mistakes as its actions risk losing 20 years of “painstakingly accumulated goodwill” in Southeast Asia. Philippines scholar Aileen Baviera and Singapore scholar Tan Seng Chye were among Asian specialists lamenting ASEAN’s divisions and weaknesses, and warning of the negative consequences for Southeast Asian countries exerting influence in regional and world affairs. CSIS specialist Ernest Bower placed full blame on China for ASEAN’s divisions, affirming that despite China’s public support for ASEAN, “a weak and divided ASEAN” is what China wants. By contrast, Mark Valencia of the Nautilus Institute laid blame for ASEAN disunity and rising tensions in the South China Sea on heightened China-US rivalry in Southeast Asia

Carlyle Thayer posted a forecast on July 13 that ASEAN disunity will slow the negotiating process between ASEAN members and China on a COC in the South China Sea. Institute of Southeast Asian Studies specialist Ian Storey told the National Bureau of Asian Research that the disputed claims and “action-reaction dynamic” among concerned states give cause for low expectations regarding any COC that may emerge from the protracted discussions among ASEAN countries and between them and China over the subject.

## **China-Myanmar**

Relations between China and Myanmar saw new developments in recent months. In the business, trade, and economic sector, Beijing has been keen to solicit key endorsements and promises from Myanmar that the latter will ensure uninterrupted implementation of key projects that have been previously negotiated. In June, Foreign Minister Yang Jiechi met Myanmar counterpart Wunna Maung Lwin to seek reassurances that major cooperation projects would continue unabated. Vice Premier Li Keqiang reiterated his concern with senior Myanmar officials in June that both sides should work toward protecting the legitimate rights of foreign business and enterprises operating in Myanmar. These concerns seem to point to the Chinese

disappointment with Myanmar President Thein Sein's decision to call off the construction of a mega-dam construction project in Myitsone in August 2011, owing to protests and complaints from local residents regarding the environmental impact of the dam. Beijing hopes that one of its most important projects, a 2,000-km gas pipeline that runs through Myanmar and ends in Kunming, will not be disrupted.

On the security side, recent reports by Human Rights Watch indicate that China is forcing the Kachin minority refugees in Yunnan to return to Myanmar, despite recent clashes between the Myanmar government forces and the ethnic Kachin Independence Army. In July 2012, the Chinese government responded and issued a statement denying the reports of the forced return of Kachin refugees by Chinese government officials. In spite of the statement, Singapore's *Straits Times* provided an update in August 2012 that around 2,000 Kachin refugees have been forced to return to Myanmar from China's Yunnan province. While the practice of forced repatriation may be difficult to verify, official exchanges between China and Myanmar indicate that border security has become a major topic of concern for both sides. Chinese Minister of Public Security Meng Jianzhu met President Thein Sein and other senior Myanmar officials in July and August 2012 to discuss strengthening border security and law enforcement cooperation, including tightening immigration control and exit and entry registration systems.

## **Outlook**

How the Philippines, Vietnam, other South China Sea disputants, ASEAN, the US, and others concerned respond to China's increasingly muscular approach to defending its position in the South China Sea remains to be seen. It also remains unclear how strong disagreement within ASEAN on dealing with China and the South China Sea disputes has weakened ASEAN's unity in dealing with China over a South China Sea Code of Conduct and other issues. The ASEAN Summit and such concurrent meetings as the East Asian Summit to be held in Phnom Penh in November are likely to provide indicators of whether tensions over the South China Sea will rise or fall, and what the broader implications of these tensions may be.

## **Chronology of China-Southeast Asia Relations May - August 2012**

**May 8, 2012:** Chinese Minister of Public Security Meng Jianzhu meets Singaporean counterpart Teo Chee Hean in Beijing to increase joint law enforcement cooperation under the Interpol and ASEAN frameworks and to tackle cross-border organized crimes in the region.

**May 9, 2012:** The first deep-water drilling rig developed in China is put into service in the South China Sea 320 km southeast of Hong Kong at a water depth of 1,500 meters.

**May 12, 2012:** Minister of Public Security Meng Jianzhu and Malaysian Deputy Minister of Home Affairs Lee Chee Leong agree to deepen cooperation on combating transnational crimes, including telecommunications fraud, exit and entry administration, and counter-terrorism.

**May 23, 2012:** Chinese Vice President Xi Jinping meets Secretary General of Myanmar's Union Solidarity and Development Party Htay Oo in Beijing. They agree to work toward implementing the China-Myanmar comprehensive strategic cooperative partnership, an agreement struck during Myanmar President Thein Sein's state visit to China in May 2011.

**May 28, 2012:** Chinese Defense Minister Liang Guanglie visits Cambodia and signs a military cooperation agreement with counterpart Tea Banh. The agreement calls for continued joint training of military personnel and for China to maintain its support for Cambodia's military capacity by building more military hospitals and training schools.

**May 28-30, 2012:** Chinese Foreign Minister Yang Jiechi visits Singapore and meets counterpart K. Shanmugam. They agree to increase senior-level exchanges, contacts, and cooperation.

**May 29, 2012:** Defense Minister Liang Guanglie meets ASEAN counterparts during the sixth ASEAN Defense Ministers Meeting in Phnom Penh. The ministers agree that defense and military cooperation between ASEAN and China remain unaffected by the South China Sea dispute and that they remain committed to resolving the dispute through peaceful means.

**May 29, 2012:** Philippine Defense Minister Voltaire Gazmin and Chinese counterpart Liang Guanglie meet separately in Phnom Penh and agree to exercise restraint in order to prevent escalation of tensions in the South China Sea.

**May 30, 2012:** Chinese Vice Foreign Minister Fu Ying meets experts from China and Vietnam in Beijing on the sidelines of the first round of bilateral negotiations on maritime cooperation. The negotiations include identifying future prospects for the two sides to work together in such areas as environmental protection, joint scientific research, search and rescue operations, and disaster relief, and assistance on the high seas.

**June 10-16, 2012:** He Guoqiang, a member of the Standing Committee of the Political Bureau of the Communist Party of China, embarks on a regional visit that includes Laos, Cambodia, and Malaysia. His regional tour focuses on exchanging views on tackling corruption and disciplinary inspection and punishment for corruption crimes.

**Jun 13, 2012:** Chinese Vice Premier Li Keqiang and Foreign Minister Yang Jiechi meet visiting Myanmar Foreign Minister Wunna Maung Lwin in Beijing. The two sides agree to strengthen the bilateral strategic partnership, including business, trade, and economic ties.

**June 18-21, 2012:** Xu Caihou, vice chair of China's Central Military Commission, meets Singaporean Defense Minister Ng Eng Hen in Beijing. They exchange views on the current state of bilateral military and defense ties and the South China Sea territorial disputes and agree to increase senior-level exchanges and joint training in the military sector.

**June 21, 2012:** In response to China's announcement of the administrative upgrade for Chinese presence in the South China Sea, Vietnam's legislature passes the "Vietnamese Law of the Sea," which claims sovereignty over the disputed islands in the South China Sea. Chinese Foreign Ministry issues a protest and summons the Vietnamese ambassador to China.

**June 22, 2012:** Jing Zhiyuan, member of China's Central Military Commission and commander of the PLA's Second Artillery Force, meets Thai Defense Minister Sukumpol Suwanatat in Bangkok. They pledge closer military and security ties through increasing security consultations, joint training, and closer cooperation on humanitarian assistance and disaster relief.

**July 4, 2012:** Vice President Xi Jinping meets Thai Foreign Minister Surapong Tovichakchaikul in Beijing and agrees to deepen bilateral ties through closer coordination on international and regional security issues and on expanding humanitarian exchanges. Thailand assumes the three-year role of ASEAN-China coordinator on regional security issues.

**July 6, 2012:** Chinese Vice Premier Wang Qishan and Singaporean Deputy Prime Minister Teo Chee Hean co-chair the 9<sup>th</sup> Joint Council for Bilateral Cooperation meeting. The meeting focuses on developing a bilateral strategic partnership through increasing cooperation in the financial sector as well as research and development in science and technology.

**July 10, 2012:** Minister of Public Security Meng Jianzhu visits Myanmar and meets President Thein Sein. They discuss strengthening border security and law enforcement cooperation.

**July 10-12, 2012:** Foreign Minister Yang Jiechi visits Phnom Penh to attend a series of ASEAN-related meetings including the ASEAN Plus 3 Foreign Ministers Meeting, East Asia Summit Foreign Ministers Meeting, and the ASEAN Regional Forum.

**July 15, 2012:** The PLA and the Indonesian Army conclude a counterterrorism drill in Jinan. The 15-day drill includes live-fire exercises, air landing, and search and rescue operations.

**July 21, 2012:** China's Central Military Commission (CMC) approves the creation of a military garrison command at Woody Island in the South China Sea's disputed Paracel Islands.

**July 23, 2012:** China's Defense Ministry announces it will establish a military garrison in the Parcel Islands.

**July 24, 2012:** Taiwan's Ministry of National Defense states it is ready to deploy mortars and anti-aircraft guns on Itu Aba (Taiping Island), the largest of the Spratly Islands.

**July 26, 2012:** Philippine Navy announces it will deploy ships to Thitu Island as a warning to Chinese fishing boats operating near the island and within the Philippines' 12 nautical-mile territorial waters.

**July 27, 2012:** According to *The Jakarta Post*, China and Indonesia are holding talks on joint production of C-705 anti-ship missiles. Missile production site will be in Indonesia, with technical assistance by China, and is part of a joint effort to increase collaboration between Chinese and Indonesian defense industries. China and Indonesia also agree to establish a naval dialogue mechanism later this year.

**Aug. 2, 2012:** Minister of Public Security Meng Jianzhu meets Malaysian counterpart Hishamudin Tun Hussein in Beijing for talks on combating transnational crime, including human trafficking and money laundering.

**Aug. 9, 2012:** Police forces from China, Laos, Myanmar, and Thailand conclude a joint law enforcement patrol on the Mekong River to help maintain shipping security. Joint enforcement includes intelligence sharing and exchanges and an emergency response mechanism.

**Aug. 10, 2012:** Foreign Minister Yang Jiechi visits Jakarta and meets Indonesian counterpart Marty Natalegawa to re-establish the China-Indonesia Joint Commission, which was initiated in 2004, but has been inactive. It will strengthen bilateral relations with a focus on investment, trade, defense, energy security, and tourism.

**Aug. 11, 2012:** Foreign Minister Yang visits Brunei and meets Crown Prince Al-Muhtadee to discuss the current state of bilateral relations. They reinforce their commitment to expand political, economic, as well as people-to-people exchanges and ties.

**Aug. 16, 2012:** Gu Xuilian, president of the China-ASEAN Association, visits Hanoi to take part in the Seventh Conference on China-ASEAN People-to-People Friendship Organization. The meeting promotes exchanges on the arts, culture, and people-to-people diplomacy that would complement and deepen ASEAN-China strategic partnership.