

The Counterterrorism Group (CTG) Analysis & Intelligence Report

Tension is brewing in the South China Sea as the world fights Covid-19

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On April 3, a Vietnamese fishing vessel sank near the Paracel Islands in the South China Sea colliding with a Chinese Coast Guard (CCG) vessel. According to the Vietnam Fisheries Society, the eight fishermen onboard were picked up by the Chinese vessel and temporarily detained on a nearby island until they were released. China and Vietnam provided divergent versions of the incident.¹ The Vietnamese Foreign ministry claimed that China violated Vietnam's sovereignty over the Hoang Sa archipelago, while the Chinese Coast Guard said that the Vietnamese boat entered the area illegally and refused to leave, and claimed that the collision happened as a result of "dangerous maneuvers".² This is the second incident involving a Vietnamese fishing vessel near the Paracel Islands in less than a year. As the region and the world fight the spread of Covid-19 there are growing concerns that China might be taking advantage of the pandemic to reassert its claims in the South China Sea.

Tensions in the South China Sea have been brewing for several decades with China, Vietnam, the Philippines, Taiwan, Malaysia and Brunei all competing over territory and sovereignty in the region. In recent years, there have been several stand-offs involving Vietnam and the Philippines. In 2014, a Vietnamese fishing vessel sank after colliding with a Chinese ship near a disputed oil rig in Vietnamese waters in the South China Sea. Both nations blamed one another for the collision in similar circumstances to the April 3 collision.³ In June last year, Vietnam came to the rescue of a Philippine fisherman boat in Reed Bank after a similar incident with a Chinese

¹ Vietnam protests Beijing's sinking of South China Sea, *Reuters*, April 4, 2020,

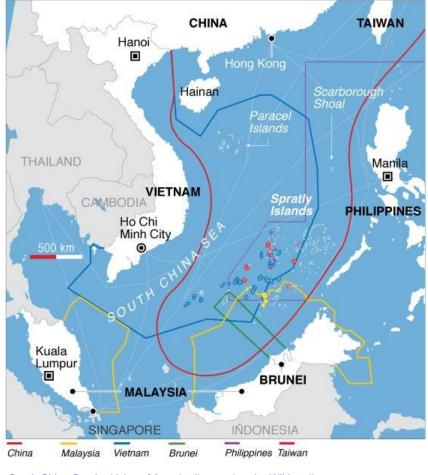
https://www.reuters.com/article/us-vietnam-china-southchinasea/vietnam-protests-beijings-sinking-of-south-china-sea-boa t-idUSKBN21M072

- ² China leverages Covid-19 crisis in South China Sea, *Asia Times*, April 9, 2020, https://asiatimes.com/2020/04/chinas-covid-19-imperialism-spreads-in-south-china-sea/
- ³ Vietnam boat sinks after collision with Chinese vessel, *BBC*, May 27, 2014

ship.⁴ It comes as no surprise that the Philippines expressed support for Vietnam and warned China that incidents of that nature could undermine the

Incidents of that nature could undermine the relations with the Association of Southeast Asian Nations (ASEAN).⁵ Despite tighter relations with China over the past few years and the country's reliance on China's medical equipment to support the fight against Covid-19,⁶ the Philippines seem reluctant to give in to China's pressure and are determined to balance the concerns of the current pandemic with the ongoing territorial dispute. By taking this stance the Philippines is also fulfilling its role as coordinator of the relations between China and ASEAN.⁷

Vietnam has an opportunity to reconcile the region towards a unified South China Sea stance through diplomacy thanks to its current chairmanship of the ASEAN. A unified Code of Conduct (CoC) was expected to be a topic of discussion during the ASEAN meeting in April, but the South China Sea dispute might have to be put on the backburner for the moment. China might capitalize on this delay in order to advance its foreign policy and consolidate its position in the South China Sea area. A tentative deadline for CoC negotiations is next year. Yet, there is uncertainty on the role that



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Vietnam can have after the 26th summit was postponed until the end of June due to the coronavirus pandemic. ⁸ An online informal meeting took place on April 14 to discuss cooperation in the fight against Covid-19 and

- ⁶ China sends medical experts, additional supplies to help PH combat COVID-19, *CNN Philippines*, April 5, 2020,
- https://cnnphilippines.com/news/2020/4/5/China-medical-experts-arrive-in-PH-COVID-19-fight.html

⁴ Philippines denounces Chinese fishing boat for collision, *Reuters*, June 12, 2019,

https://www.reuters.com/article/us-philippines-china/philippines-denounces-chinese-fishing-boat-for-collision-idUSKCN1T D1JN

⁵ DFA supports Vietnam after boat was hit by Chinese coast guard vessel, *Manila Bulletin*, April 8, 2020, https://news.mb.com.ph/2020/04/08/dfa-supports-vietnam-after-boat-was-hit-by-chinese-coast-guard-vessel/

⁷ PH assumes coordinatorship for ASEAN-China Dialogue, *Manila Bulletin*, August 05, 2018, <u>https://www.pna.gov.ph/articles/1043786</u>

⁸ ASEAN Summit in Vietnam Postponed Until End-June Over Coronavirus, *US News*, March 19, 2020, <u>https://www.usnews.com/news/world/articles/2020-03-19/asean-summit-in-vietnam-postponed-until-end-june-over-corona</u> <u>virus</u>

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create a plan to support the economies across the ASEAN region.⁹ The Philippines urged countries to cooperate in the fight against Covid-19 and avoid future incidents in the disputed area. On the same day, a Chinese vessel used for offshore seismic surveys, the Hai Yang Di Zhi 8, that was also involved in the Vanguard bank incident with Vietnam last year, was seen within Vietnam's exclusive economic zone (EEZ), 92 nautical miles off the coast of Vietnam.¹⁰ On Wednesday, April 15, it headed south for Malaysian waters,¹¹ and by Friday, April 17, the Chinese vessel was tagging an exploration vessel operated by Malaysia's state oil company Petronas.¹² An interesting incident also happened on the same day when an error on a Facebook' function that helps users create their own ads prevented users from finding Vietnam's Spratly and Paracel Islands on the nation's map.¹³ Several users complained that the Hoang Sa (Paracel) and Truong Sa (Spratly) archipelagos were not displayed when Vietnam was chosen as the target region. Later, Facebook fixed the issue and now the locations cannot be found when either Vietnam or China are the target regions. It is unknown if the incident is related to the tensions currently brewing in the region or a coincidental event. Any development should be watched.

It is interesting to note that Malaysia has not commented on the incident at Paracel Island despite its tough stance over China's "nine-dash line", which delimits its claims in the South China Sea. Malaysia angered China in December last year when it filed a formal submission to the UN Convention for the Law of the Sea (UNCLOS) requesting to extend its boundary beyond the 322 kilometer (200 nautical miles) exclusive economic zone (EEZ) in the northern part of the South China Sea.¹⁴ The submission is supposed to be included in the provisional agenda of the UNCLOS 53rd session in 2021. This is a crucial moment for the ASEAN countries to show cohesion as the region fights the pandemic and to step up efforts to resolve sovereignty issues with China.

It is estimated that the South China Sea has 11 billion barrels of untapped oil and 190 trillion cubic feet of natural gas under its sea bed. Since the 1970s, various Southeast Asian nations have been claiming islands and various zones within the sea which are rich in natural resources and fish.¹⁵ In 2016, \$3.37 trillion total trade passed through the South China Sea¹⁶, and in 2017, 40 percent of global liquefied natural gas trade transited

https://moderndiplomacy.eu/2020/04/14/vietnams-agenda-for-asean-2020-meetings/

¹¹ Chinese ship seen moving south near Malaysia amid rising South China Sea tensions, *Reuters*, April 16, 2020, <u>https://www.reuters.com/article/us-malaysia-china-southchinasea/chinese-ship-seen-moving-south-near-malaysia-amid-rising-south-china-sea-tensions-idUSKCN21Y0GL</u>

¹² Chinese and Malaysian ships in South China Sea standoff: sources, *Reuters*, April 17, 2020,

¹³Facebook ads creator omits East Sea islands in Vietnam's map, *VnExpress*, April 16, 2020,

¹⁴ Beijing censures Malaysia over fresh South China Sea claim, *Reuters*, December 17, 2019,

⁹ Vietnam's agenda for ASEAN 2020 meetings, *Modern Diplomacy*, April 14, 2020, https://mederndiplomacy.ou/2020/04/14/wiptname.organda.for.accord.2020 meetings

¹⁰ Chinese ship back in waters off Vietnam amid coronavirus 'distraction', *Reuters*, April 14, 2020, <u>https://www.reuters.com/article/us-vietnam-china-southchinasea/chinese-ship-returns-to-waters-off-vietnam-amid-virus-dis</u> <u>traction-charges-idUSKCN21W0CT</u>

https://www.reuters.com/article/us-malaysia-china-southchinasea/chinese-and-malaysian-ships-in-south-china-sea-stando ff-sources-idUSKBN21Z1TN

https://e.vnexpress.net/news/news/facebook-ads-creator-omits-east-sea-islands-in-vietnam-s-map-4085728.html

https://www.reuters.com/article/us-southchinasea-malaysia/beijing-censures-malaysia-over-fresh-south-china-sea-claim-id USKBN1YL0HM

¹⁵ Territorial Disputes in the South China Sea, *Council on Foreign Relations*, April 13, 2020, <u>https://www.cfr.org/interactive/global-conflict-tracker/conflict/territorial-disputes-south-china-sea</u>

¹⁶ How much trade transits the South China Sea?, *China Power*, Undated, https://chinapower.csis.org/much-trade-transits-south-china-sea/

through the South China Sea.¹⁷ This energy-rich territory has been the root of most conflict within the South China Sea. China has claimed a large portion of the sea as its territory, building military outposts on artificial islands, reefs and outcrops, however, Brunei, Malaysia, the Philippines, Taiwan and Vietnam also have claims within the sea.¹⁸

In order to stake their claims in the South China Sea many nations have established paramilitary and fishing fleets. The use of state-sponsored fishing militias can put pressure on smaller, less developed nations who have claims in the sea without causing military conflict or intervention. The tensions between China and Vietnam have escalated to a level in which Vietnam has had to enforce a state-supported fishing boat militia with military-trained personnel to hold off China's vessels in the South China Sea since Vietnam has far fewer boats in its fleet. China, the world's largest maritime militia, has a fleet of 370,000 non-powered and 762,000 motor-powered vessels; Vietnam, however, only has a fleet of 8,000 vessels on estimate.¹⁹

China and Vietnam have had a souring relationship since the early 2010s as China became more assertive toward its claims in the South China Sea following the Declaration of Conduct in the South China Sea in 2011. ²⁰ The two nations have remained politically distant since the end of the Vietnam War, the collapse of a common enemy in South Vietnam and a war between Vietnam and Cambodia, a Chinese ally. A brief war between China and Vietnam took place in 1979.²¹ Today, the Chinese-Vietnam disagreements over the South China Sea has created an opening for Vietnam to move closer to the United States. Cambodia and Vietnam both retain strong economic ties with their neighbor China. However this does not mean a nation like Vietnam with a stake in the South China Sea dispute would be willing to sign on with Beijing's view of the dispute.²² The nations laying claim in the South China Sea have found themselves embroiled in a great power contest between the United States and China. Nations that still remain politically at arm's length like Vietnam and the US may find themselves thrust together by a common problem.

Beginning in 2014 the United States has deployed its navy to the South China Sea, initially to protect the Philippines²³ however that quickly morphed into a mission to ensure freedom of navigation through the sea. The US stepped up military presence in the following years as China began to construct islands and

²⁰ RPT-China, ASEAN set 'guidelines' on sea row, but no deal expected, *Reuters*, July 20, 2011

¹⁷ Today in Energy, *U.S. Energy Information Administration*, November 2, 2017, https://www.eia.gov/todayinenergy/detail.php?id=33592

¹⁸ Vietnam mulls legal action over South China Sea dispute, *Reuters*, November 6, 2019,

https://www.reuters.com/article/us-vietnam-southchinasea/vietnam-mulls-legal-action-over-south-china-sea-dispute-idUSK BN1XG1D6

¹⁹ China and Vietnam 'likely to clash again' as they build maritime militias, *South China Morning Post*, April 12, 2020, https://www.scmp.com/news/china/diplomacy/article/3079436/china-and-vietnam-likely-clash-again-they-build-maritime

https://www.reuters.com/article/asean-southchinasea/rpt-china-asean-set-guidelines-on-sea-row-but-no-deal-expected-id USL3E7IK0M620110720

²¹ Chinese Invasion of Vietnam, *Global Security*, April 20, 1996,

https://www.globalsecurity.org/military/world/war/prc-vietnam.htm

²² Coronavirus gives Vietnam, Cambodia a chance to boost ties with Washington and Beijing, *South China Morning Post*, April 16, 2020

https://www.scmp.com/week-asia/opinion/article/3080050/coronavirus-gives-vietnam-cambodia-chance-boost-ties-washin gton

²³ U.S. admiral assures Philippines of help in disputed sea, *Reuters*, February 13, 2014

https://www.reuters.com/article/us-philippines-usa-southchinasea/u-s-admiral-assures-philippines-of-help-in-disputed-seaidUSBREA1C0LV20140213

observation/military installations in the disputed Spratly Island chain.²⁴ The South China Sea has become an important piece of US and Chinese foreign policy, since 2015 the US has maintained a consistent presence in the region and bolstered military assets in surrounding nations. China on the other hand has continued to assert ownership over the contested sea by producing and deploying military assets with the expressed purpose of defending their stake in the region.²⁵ The great power struggle has ebbed and flowed over the past five years, but 2019 marked an intensifying year as freedom of navigation operations by the US were undertaken at a rate not seen since 2015.²⁶ China has claimed that the United States and other forces are "stirring up trouble" in the South China Sea²⁷ by their military operations in the regions and persistent condemnations of Chinese action. The United States aside from securing the international shipping lanes that traverse the contested area has taken this opportunity to curb Chinese influence in Southeast Asia. With the COVID-19 crisis causing a drawback of US forces internationally, China has seized this opportunity to operate with impunity without US military forces countering their actions.²⁸ China has every reason to continue aggressive actions, the political survival of the Chinese Communist Party may depend upon it. The loss of credibility that could come from being forced to back off of territorial claims by the US and international community against the historical backdrop of the "Century of Humiliation" of China, the 19th century, give them few options but to aggressively pursue claims.²⁹ Losing the claims would put pressure on the regime as being weak in the face of international pressure and as a fervent strain of nationalism takes root in China, backing down is simply not an option.

CTG recommends monitoring the South China Sea region as China quitely continues to take aggressive action against the countries involved in the disputed area. The sinking of the Vietnamese fishing vessel in the South China Sea is just the latest in a series of incidents, but the timing might not be coincidental as the world is fighting Covid-19. PACOM will continue to monitor the events surrounding future ASEAN meetings, which could produce positive results thanks to diplomatic efforts of all parties involved in the dispute, including China.

https://www.newsweek.com/china-south-china-sea-islands-build-military-territory-expand-575161

https://www.scmp.com/news/china/military/article/3042580/chinas-new-aircraft-carrier-shandong-could-confront-other ²⁶ The US is ramping up its challenges to China's claims in the South China Sea, *Business Insider*, February 6, 2020 https://www.businessinsider.com/us-challenging-chinese-south-china-sea-claims-with-more-fonops-2020-2

²⁸ Coronavirus may be giving Beijing an opening in the South China Sea, *CNN*, April 7, 2020 <u>https://www.cnn.com/2020/04/07/asia/coronavirus-china-us-military-south-china-sea-intl-hnk/index.html</u>

²⁴ How and Why China is Building Islands in the South China Sea, *Newsweek*, March 29, 2017

²⁵ China's new aircraft carrier the Shandong could confront other nations in disputed South China Sea, state media says, *South China Morning Post*, December 18, 2019

²⁷ China says U.S. criticism over South China Sea is slander, *Reuters*, July 22, 2019 <u>https://www.reuters.com/article/us-usa-china-southchinasea/china-says-u-s-criticism-over-south-china-sea-is-slander-idU</u> <u>SKCN1UH0Y3</u>

²⁹ Could the Chinese Communist Party survive dropping South China Sea claims?, *Foreign Policy*, June 29, 2017 https://foreignpolicy.com/2017/06/29/could-the-chinese-communist-party-survive-dropping-south-china-sea-claims/