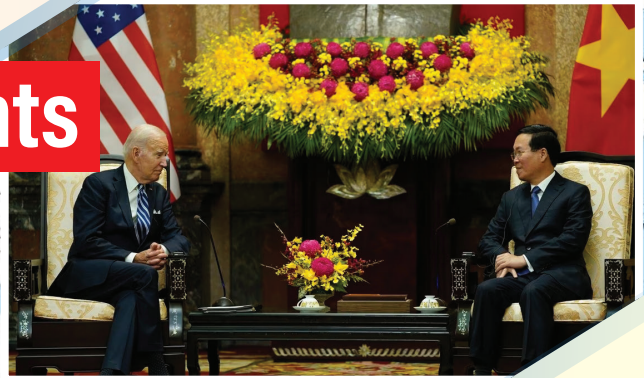


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Indo-Pacific Insights

CGS Centre for Governance Studies



A Bi-Weekly Roundup of Key Events

September 19

ASEAN conducts first joint naval exercise

China and the Philippines at odds again over Scarborough Shoal: Key takeaways

Shamsuddoza Sajen

The Scarborough Shoal has again become a global geopolitical flashpoint. This time Philippine Coast Guard cut a sea barrier erected by Chinese forces to restrict Philippine fishing in waters surrounding the Scarborough Shoal which both countries claim as a part of their maritime domain. This assertive move by the Philippines signifies a notable shift towards a more robust foreign policy stance against China, and it holds broader implications for the entire Indo-Pacific region, given the Philippines' crucial role as a key ally of the United States.



The Association of Southeast Asian Nations (ASEAN) commenced its inaugural joint naval exercise, the ASEAN Solidarity Exercise, focusing on non-combat drills such as maritime patrol, search and rescue, and humanitarian and disaster relief. Conducted in Indonesia's Natuna waters, the five-day exercise seeks to strengthen military ties and interoperability among ASEAN nations. Notably, this exercise signifies ASEAN's collective response to China's growing assertiveness in the South China Sea, marked by territorial disputes with Vietnam, Malaysia, Brunei, the Philippines, and Indonesia, where the exercise was initially planned before being relocated to avoid provocation.

September 20

Brunei Inks \$2 Billion Deal with Chinese Aircraft Manufacturer

Brunei's new airline, GallopAir, plans to purchase 30 aircraft from China's COMAC, including the first-ever foreign procurement of the C919 jet. The deal, valued at \$2 billion, was formalized during a regional trade event, revealed GallopAir on September 20. It includes 15 orders for COMAC's ARJ21 aircraft and 15 for the C919, designed to rival Airbus A320neo and Boeing 737 MAX jets

September 24

China's charm offensive at Asian Games



China's dual approach to its regional influence was on display during the Asian Games which kicked off with an eye-catching opening ceremony at Hangzhou. While it showcased charm and technological prowess to win over Asian nations, it simultaneously maintained territorial disputes, such as its claims in the South China Sea, Taiwan and India. President Xi Jinping emphasized unity and peace in his opening remarks, avoiding mention of these conflicts. Meanwhile, China continued military exercises near Taiwan, raised tensions with the Philippines, and released a new map claiming almost the entire South China Sea and disputed border territories with India

September 25

Biden Commits \$200 Million to Pacific Islands

President Joe Biden assured leaders of the Pacific Islands Forum of his commitment to addressing climate change during a two-day Washington summit. He pledged \$200 million in assistance, emphasizing the importance of the Pacific region as China's influence grows. Biden also announced the establishment of diplomatic relations with the Cook Islands and Niue, fostering ties and cooperation. Kiribati signed a \$29.1 million partnership for assistance with low-lying atolls. The summit builds on the U.S. Pacific strategy, addressing climate change, maritime security, and overfishing, with a focus on strengthening partnerships in the face of shared challenges

Philippines challenges China's barrier

The Philippine coast guard has removed a floating barrier placed by China's coast guard at Scarborough Shoal in the South China Sea, complying with a presidential order. The 300-meter-long barrier was installed to prevent Filipino fishing boats from entering the lagoon. The move signifies the Philippines' escalating efforts to counter China's aggressive actions in the contested waters.

Chinese Foreign Ministry spokesperson Wang Wenbin defended China's actions, stating that Scarborough Shoal and its adjacent waters are considered "China's inherent territory" with "indisputable sovereignty." He called on the Philippines to avoid provocations or stirring up trouble

Nepal, China sign 12 agreements



China and Nepal signed 12 agreements, including seven MoUs, aimed at strengthening bilateral ties in trade, road connectivity, and IT. Premier Li Qiang and Prime Minister Pushpa Kamal Dahal discussed these collaborations in Beijing. The MoUs cover areas such as economic planning, digital economy, green development, and agriculture. However, none of these involved BRI projects. They also established a Joint Technical Working Group to review and amend the Nepal-China trade agreement

September 26

South Korea's rare military parade



South Korea held its first large-scale military parade in a decade, showcasing a range of weaponry from ballistic missiles to tanks in a display of strength against North Korea. The parade, marking Armed Forces Day,

featured President Yoon Suk Yeol pledging increased support for the military and defense industry, warning North Korea against using nuclear weapons. Thousands of troops, South Korean tanks, and U.S. soldiers joined the event. The highlight was a 2-km parade through Seoul's main district, cheered on by crowds. Despite the spectacle, some activists protested against heightened tensions, calling for an end to the arms race

September 28

Jaishankar meets Blinken

US Secretary of State Antony J. Blinken met with Indian External Affairs Minister Subrahmanyam Jaishankar in Washington, D.C. They covered various topics, including India's G20 presidency achievements and the potential of the India-Middle East-Europe Economic Corridor for transparent and sustainable infrastructure investments. Both officials stressed the significance of continued collaboration, particularly in defense, space, and clean energy, ahead of the upcoming 2+2 Dialogue

September 30

Maldives presidential runoff



Maldivians voted in a pivotal presidential runoff election, effectively deciding whether India or China will wield greater influence in the Indian Ocean archipelago. Incumbent President Ibrahim Mohamed Solih faced off against opposition candidate Mohamed Muiz. Muiz's party is seen as pro-China, and he garnered over 46% of the vote in the first round, while Solih secured 39%. The election outcome will impact geopolitical dynamics in the Maldives, with Muiz pledging to balance trade relations and potentially remove Indian troops stationed in the country

China and the Philippines at odds again over Scarborough Shoal: Key takeaways

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A background to the recent crisis

China's 'nine-dash line' map extends its sovereignty claims far beyond its coastline, encompassing territories also claimed by neighboring countries, including the Philippines



The Philippines, on the other hand, asserts its rights under international law, notably the United Nations Convention on the Law of the Sea (UNCLOS). According to UNCLOS, the Philippines has exclusive rights to its exclusive economic zone (EEZ), which includes areas near Scarborough Shoal.

In 2016, the Permanent Court of Arbitration in The Hague issued a landmark ruling, declaring that China's claims in the South China Sea had no legal basis under international law. Despite the ruling, China has refused to acknowledge it and continues to assert its territorial claims.

Regarding Scarborough Shoal, China has exerted control over it since 2012, deploying Coast Guard vessels and fishing fleets to strengthen its presence. Many security experts view these actions as proxies of the Chinese Navy.

In response, the Philippines has staunchly defended its fishermen's rights to access these waters. Recent actions by the Philippine Coast Guard, such as removing floating barriers placed by China, demonstrate Manila's growing defiance of Beijing's territorial claims

Philippines' strategy to counter China

The Philippines is pursuing a multifaceted strategy to counter China's assertiveness in the South China Sea. While being cautious about economic dependencies on China, the Philippines aims to balance security and economic interests to protect its territorial integrity.

On September 10, 2023, Philippine Defense Secretary Gilbert Teodoro emphasized the need for comprehensive planning, with a focus on forming alliances and modernizing their naval capabilities. This approach addresses concerns about being outmatched by China and involves forging strategic partnerships with like-minded nations.

The decision to cut the barriers was a direct result of President Ferdinand E. Marcos Jr.'s orders. Since assuming office in June 2022, Mr. Marcos has clearly indicated his desire for a more assertive foreign policy stance towards China. He has strengthened the security ties with the United States.

There's no denying that the Philippines felt emboldened to cut the barrier, given the continuous support and encouragement it receives from the United States to confront China in the South China Sea



The Philippines' stance also mirrors what Malaysia and Indonesia did recently when both countries sent their ships to survey in disputed waters despite threats from China.

In a notable display of regional collaboration and solidarity, all ten member states of the Association of Southeast Asian Nations (ASEAN) have united to initiate a joint military exercise known as 'ASEX 01-Natuna Exercises' on September 19, 2023.

The timing of these exercises is especially significant, given the escalating tensions in the South China Sea. These military drills come in the wake of an ASEAN defense leaders' meeting held in Bali in June 2023 and the conclusion of the annual Super Garuda Shield military exercise co-hosted by Indonesia and the United States. Notably, this year's edition witnessed expanded participation, including Japan, Australia, Singapore, and the U.K.

However, it is important to highlight that the Natuna exercise was initially planned to take place along the periphery of the South China Sea but was relocated to Indonesia's South Natuna Sea to avoid potential disputes and friction with China.

This further underscores the intricate geopolitical dynamics of the South China Sea region, as nations at odds with China have taken a relatively bolder stance while still wrestling with the challenge of engaging constructively with China. The overarching consensus thus far has been to prioritize stability and to favor dialogue and diplomacy whenever feasible.

The Philippines has a long and intricate history of military cooperation and disputes with the United States. Dating back to the Spanish-American War in 1898, which led to the transfer of the Philippines from Spanish rule to American control, the country has held strategic importance for American military installations in the Pacific region. Presently, the Philippines hosts nine US military bases, including Subic Bay Naval Base, Antonio Bautista Air Base, and Clark Air Base. In April 2023, the United States secured access to an additional four bases within the Philippines.

However, Ferdinand Marcos Jr.'s predecessor Rodrigo Duterte implemented a foreign policy pivot away from the United States, the country's long-standing treaty ally. Duterte aimed to diversify international relationships by strengthening ties with China and Russia to achieve economic benefits and reduce reliance on the United States. This shift strained relations with the U.S. and challenged traditional alliances.

In contrast, Ferdinand Marcos Jr. is steering the Philippines back toward closer relations with the United States, emphasizing alliances and modernizing its naval capabilities to address regional security concerns, particularly in the South China Sea.

This shift in policy has drawn Beijing's ire, as it perceives an emerging chain of alliances spanning from South Korea and Japan in the north to Australia in the south, all within close proximity to China.

Reacting to the revelation of the positions of four newly established US military bases in the Philippines, for example, Chinese Foreign Ministry Spokesperson Mao Ning stated, "It is evident that the US has been escalating its military presence in the area, guided by a zero-sum mindset in pursuit of its own interests. This can only result in heightened tensions and diminished peace and stability within the region."

A broader regional challenge

China's territorial claims have strained relations not only with the Philippines but also with other maritime neighbors like Vietnam, Taiwan, and Malaysia

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