

EAST ASIA MONITOR

Volume 2 Issue 6 November-December 2015



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idsa
INSTITUTE FOR DEFENCE
STUDIES & ANALYSES
रक्षा अध्ययन एवं विश्लेषण संस्थान

INSTITUTE FOR DEFENCE STUDIES AND ANALYSES

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Rao Tula Ram Marg, New Delhi - 110010

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EDITOR'S NOTE

Important developments, bearing implications for regional peace and stability, unfolded in November-December 2015. There were a series of diplomatic summits aimed at managing regional security concerns, consolidating economic interests while exploring new opportunities in the making. Some summits revitalised important bilateral and trilateral partnerships following a hiatus, like the Japan-South Korea summit and the Japan-China-South Korea trilateral meeting. While other summit meetings, like the India-Japan and Japan-Australia meeting, infused further momentum to the existing bonhomie. The much awaited resumption of Japan-South Korea bilateral and Japan-China-South Korea trilateral summit meeting captured international attention as leaders discussed the importance of future-oriented cooperative relationship. In one of the positive developments, South Korea and Japan negotiated an historic agreement on the contentious issue of the comfort women later in December, which many claim to have “resolved finally and irreversibly” the issue of comfort women. Effective implementation of this agreement may change the landscape of Japan-South Korea relations in the future.

Meanwhile, President Obama argued in November during his summit meeting with Prime Minister Shinzo Abe in Manila that the U.S. supports and will cooperate in building regional networks with Japan-U.S. alliance as the linchpin to secure stability and peace. Subsequently, in December Abe argued the case of transforming the India-Japan Special Strategic and Global Partnership into a deep, broad-based and action-oriented partnership and articulated a Joint Vision 2025 for Peace and Prosperity of the Indo-Pacific Region and the World. Meanwhile Abe worked towards reinforcing the Strategic Partnership with Australia and focussed on the Next Steps of the Special Strategic Partnership in Asia, Pacific and beyond.

During this timeframe, China has invested energy in deepening its military cooperation with several regional actors including India, Russia, Australia, Pakistan and South Korea. During Chinese Vice Chairman of Central Military Commission, Fan Changlong's visit to India, both sides underscored the importance of building strategic trust, crucial to maintaining peace at the border region. Meanwhile, welcoming the establishment of the ASEAN Community, the leaders of China, Japan and South Korea participated in the ASEAN related summit in Kuala Lumpur. Member states stressed on accelerating regional economic integration. Concerns over the developments in the South China Sea, maritime security and North Korea were highlighted. However, in an adverse development involving the inter-Korea relations, the failure of the high-level Vice-Ministerial talks in December, to manage the differences between the two Koreas, will impact the North-South relations in a negative way.

This issue of the Monitor carries the event report of the IDSA-CICIR dialogue, hosted in November. Besides, significant developments in Japan, China, and the Korean Peninsula are captured by way of brief news items.

We look forward to comments and suggestions from our readers.

TITLI BASU

IDSА-CICIR BILATERAL DIALOGUE



The annual bilateral dialogue between Institute for Defence Studies and Analyses (IDSA) and China Institutes of Contemporary International Relations (CICIR) was hosted in New Delhi on November 20. The day long discussion was divided into four sessions including India-China relations, neighbourhood politics, regional developments and a panel discussion on the way forward where both sides debated several issues. The four member delegation from CICIR was led by Dr. Li Li (South Asia Studies). The other three members were Dr. Wang Shida (South West Asia Studies), Zhang Yanyu (American Studies) and Xu Gang (Chinese Economy). IDSA side was represented by Director General Shri Jayant Prasad, Deputy Director General Brig Rumel Dahiya, and the members of the East Asia, South Asia, and South East Asia centres.



In his welcome remarks, Director General of IDSA, Shri Jayant Prasad underscored that India values and endows great importance to its relations with China. In taking the economy forward, India could borrow a few lessons from the Chinese experience and particularly would like to learn from the success of China in uplifting the greatest mass of people above the poverty line. Shri Prasad stressed that India has great stakes in the continued success of the Chinese economy since it is the locomotive for world growth and global growth is important for India's growth. He made reference to the Chinese perception of India as an unequal partner. In her opening remarks Dr. Li Li stressed that India is one of the most important neighbours of China because of political geography. She highlighted the complexities in

international and regional political and security landscape including the economic challenges faced by the emerging economies. Both countries have common stakes at a stabilised world.

The first session of the day-long meeting was focussed on India-China relations, especially bilateral political and strategic issues. Amb. Phunchuk Stobdan chaired the session. He stressed that the rationale behind all India-China interactions whether it is Silk Route or Spice Route were commercial and not ideological or military in nature. Since there is a commonality of interest between India and China, IDSA-CICIR bilateral dialogue is a good platform to address each other's misperceptions. The basket of our cooperation is expanding and there are new areas of cooperation like terrorism, drugs, and money laundering which will add to our mutual understanding. Nevertheless, management of the border issue is critical and violation of BDCA needs to be addressed. Moreover, other issues including CPEE, Afghanistan, Indian Ocean, maritime issues need to be discussed.



Dr. Li Li spoke on *Developmental Cooperation*. India and China committed to developmental partnership which is the core of strategic partnership. She argued that the present character of India-China relation is underlined by this developmental partnership. She identified two reasons for this developmental cooperation. First, the similarities in both countries strategic priorities and second, to address the major obstacles including delinking the border issue and cooperation. Dr. Li Li argued that a lot has been achieved through cooperation in the bilateral

relations. In the past one year, there is concrete achievement at the bilateral level unlike earlier instance where cooperation happened in the multilateral forums such as WTO, G20, and BRICS. Now the partnership expanded from economic area to developmental areas for examples public health, education and so on. Moreover, there are new platforms like AIIB for India and China to cooperate on developmental issue. She further argued that China would like to welcome India in APEC. Dr. Li Li argued that one of the biggest challenges in realising the goals of this developmental partnership is the old perception or debate regarding prioritising border dispute resolution vis-à-vis cooperation.



Dr. Jagannath Panda shared his views on *India's Perceptions of China under Narendra Modi*. Prime Minister Modi has already articulated that China is one of India's top foreign policy priorities. India is not involved in China containment frameworks and believes in shared neighbourhood. During Prime Minister's visit to China, he underscored that India-China relations is a complex one and stressed the need for China to take a strategic and long term view of this bilateral relations. In this context, Dr. Panda raised few critical issues including the uncertainty over the border issue especially owing to the lack of clarity regarding the LAC and where does Code of Conduct fit in the negotiation process? Clarification on LAC

is instrumental in resolving the border dispute step by step in exchanging maps etc. However, he pointed out that China is not enthusiastic in its approach towards this issue. Furthermore, Dr. Panda emphasised that neighbours are the priority of Modi government which floated the idea of HIT (highways, infoways and trasnways). This compliments with China's connectivity idea and Dr. Panda drew attention to the China-India-Nepal trilateral highway and China's trans-Himalayan corridor. Besides, further clarifications were requested from the Chinese delegation on water issue and the prospects of a water sharing treaty, AIIB funding in sensitive areas including India's North East, and Dalai Lama succession.

Dr. Ashok Behuria shared his thoughts on *India's Neighbourhood Policy*. He argued that power and resource asymmetry of India compared to its South Asian neighbours have raised expectations from India. India has a sense of responsibility towards its neighbours since the 1990s including the Gujral Doctrine which emphasised on non-reciprocity while approaching its neighbours. India attempted to carter to the developmental needs of its neighbours through robust bilateral assistance programs. However, there are several challenges that India faces in its bilateral relations with each of its neighbours which sometimes have triggered anti-India sentiments in the neighbourhood. Dr. Behuria, giving an overview of the recent developments in India's neighbourhood, argued that while in one hand there is democratisation wave since 2008, there are also rising political instability and security concerns on the other hand. Besides, there is the presence of extra-regional powers in the region and Dr. Behuria argued that there is a need for more dialogue regarding China's presence in the Indian neighbourhood. There is lot of unsubstantiated fear that has led to a situation where tension between India and China is coming up in the region which needs to be analysed objectively.



Dr. Prashant Kumar Singh spoke on *India-China Vision on Security Cooperation*. Pointing out that India and China are interacting in various regional forums on security issues, he argued that while there is convergence and understanding on norms on security issues in larger transnational settings, it is absent in their interactions on core issues. Besides, both countries are attempting to uphold the Panchsheel in their bilateral security relations.

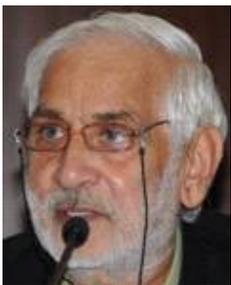
There are several CBMs and there are new vistas of cooperation, but tangible gains are yet to materialise. Dr. Singh articulated that strategic mistrust often compromises the bilateral relations. The roots of this mistrust have its source in the China-Pakistan relations. Chinese presence in POK is in violation of the Panchsheel. In his concluding remarks he stressed that the larger principles the two countries place for international security do provide an alternative vision for developing countries and India and China should create exclusive theme based bilateral dialogue mechanism for global security issues which should lead towards collective decisions and actions.

The second session on *Neighbourhood Politics* was chaired by Dr. G. Balachandran. Speakers included Dr. Wang Shida, Mr. Avinash Godbole, Dr. Nihar Nayak and Mr. Vishal Chandra. The Indian and Chinese speakers focused on regional security issues in South Asia. In particular, the security situation in Afghanistan was considered grave in 2015, and factions within the Afghan government meant that it will be increasingly challenging for conducting reconciliation. The speakers agreed that the situation in Kunduz developed because the provincial government was too weak to counter Taliban. This is complicated by the presence of ISIS predominantly in the northern part of Afghanistan, which is much stronger after the death of Mullah Omar.



The Indian participants expressed that the Chinese role in Afghanistan could be positive by bringing Pakistan and Afghanistan to cooperate on critical issues. However, all participants agreed that prospects for reconciliation is dim. Moreover, issues in Pakistan complicate this further. Therefore, strong regional mechanism is necessary for a long-term solution of Afghanistan security situation. Broadly, countries can contribute to building capacity. The discussions were also centered on China's One Belt One Road strategy, considered as a multilateral engagement designed to benefit China's western provinces and spur Chinese economic growth. Within this, the CPEC is its flagship project, critical for its impact on Xinjiang. However, the challenges for this project comes from the security situation in Pakistan, though nature of the project suggests that it is implemented as a long-term investment. There was emphasis on China to have a common definition on terrorism as India and China have a shared neighbourhood. But this shared neighbourhood is troubled by instability and terrorism, therefore there is a need to develop a common interest, especially in Afghanistan.

Another significant aspect of interest was the situation in Nepal. The Indian side commented that the constitution in Nepal is not representative of the population and lacks equal citizen rights regarding representations in government institutions. Indian concerns are mostly on the impact of instability in the open border. Moreover, there are also apprehensions about the spillover effect of the instability in Indian states of Uttar Pradesh and Bihar. The participants stressed that the constitution has seeds for dissatisfaction. The participants also discussed how China supported Nepal through the supply of oil due to the disruption in fuel supply from India. The Chinese participants underscored the importance of Nepal to China as it not only has a long border with Nepal but has 20,000 exile Tibetans in Nepal. The discussion also touched upon the status of India's talks with Pakistan and its impact on the bilateral relationship.



The third session on *Regional Developments* was chaired by Professor S. D. Muni. Prof. Muni opened the session with few remarks on the rise of China in world politics and the reaction of different countries such as the United States, ASEAN nations, Japan, India and other countries around the world. Mrs. Zhang Yanyu spoke on the latest developments in the China-U.S. relations. She emphasised that the relation with the U.S. is a critical one for China. She highlighted about President Xi's recent visit to the U.S in September 2015 and the bilateral agreements subsequently, based on the win-win situation for both the leaders. She highlighted that in last two years Chinese foreign policy graduated and it promoted new model of great power relations with new principles of non-confrontational model.

She stated that both the nations unlike in the past have committed towards giving more priority to sensitive and military issues such as weapon's control and deepening their cooperation in enhancing communication, mutual transparency and negotiation in sensitive issues like cyber security. In addition, there has been cooperation between the two nations at the cultural level, as seen in the increasing numbers of scholarships available for the Chinese students to study in the U.S. She emphasised that both the nations can take innovative measures to promote development in their respective nations and benefit the rest of the world including India.

MS Pratibha emphasised the importance of U.S. as the most important factor for India and China relations. She spoke on *Negotiating the Vagaries of U.S. Engagement: India- China Response*, where she highlighted the U.S. pre-

eminence in post-war order and how Obama administration has focussed on allies and multilateralism and institutions. She emphasised that the U.S.'s desire is for a liberal multilateral order and her goal in post-cold war era is to maintain stability. U.S. security policy is making it search for partners seeking strategic convergence with countries like India. She further explained that China is not the core reason for U.S.-India relations in the present era. The driver for U.S.-China is to manage conflict and U.S.-India relation is to create strategic convergence. U.S.-India relations blossomed after the Indo-U.S. nuclear deal. She stated that for both the countries, U.S. remains an important factor. However, the recent idea like G2 creates anxieties for countries like India, which needs to be managed instead of dismissing the idea. She also highlighted certain vagaries such as the U.S.-Pakistan relation and the U.S.-Russia talks after recent Paris Attack. She highlighted that India-China relations can be an alternative institution towards the economic integration in the region.



Dr. Titli Basu gave her presentation on *Shifts in Japan's Post-war Security Policy: Regional Concerns and Response* where she began by emphasising that East Asian theatre is altering and Japan is responding to China's rise by redefining Japan's position on Art. 9. She pointed out that the debate on Japan's right to exercise collective self-defence is an old one. There are primarily three schools of thought on the interpretation of Article 9 of the Japanese Constitution namely the revisionist, led like Kishi, Abe and Hatoyama; the second is the pragmatic school of thought led by leader like Yoshida; and the third is the pacifist, led by the Japanese socialist party. Abe belongs to the revisionist school. She highlighted the Japan argues the case of an increasingly severe security situation including threats from DPRK, and China's rise. On the other hand, China believes that the China threat theory is pretext to pursue Japan's own policy objectives. Korean Peninsula reacted negatively and compared Abe to Hitler. Meanwhile, U.S. welcomed the policy shift. India welcomed greater Japanese contribution to international security.

Dr. Xu Gang spoke on *New Normal: World and Chinese Economy*. In China, new normal means the economy is in new phase and China's growth rate will decelerate from previous 10 percent a year to 7 percent a year. The new normal means structural adjustment and reduction in overcapacity in areas like steel and coal. Consumption will be encouraged to become a bigger source in the economy and technical innovation must become the main driving force. In addition, the issue of aging population, labour supply slowing down, saving rate dropping, and capital supply were discussed. There is a forecast of population decline by more than 29 million until 2020 and environmental and natural resource restriction will affect the economic capacities. He explained that China could no longer continue as it is and must transform its growth model. He highlighted that there are uncertainties; downward pressure is a challenge and a risk. China also faces deflation pressures. PPI is also declining continuously, while slowdown is inevitable, mistakes of high growth era have come to the fore, like real estate market bubble.

Dr. Udai Bhanu Singh spoke on the *Recent Developments in Myanmar* highlighting the political transitioning from military rule to democracy. He gave a brief background on the history of the elections held in Myanmar such as the 1990 elections which was free and fair however, the result was not accepted by the government. In 2008, a new constitution was drafted and a transition plan established in an attempt to convert Myanmar from military rule to democracy. The country held its first elections under the new constitution in 2010, which brought Thein Sein to the seat of the Presidency. On November 8, 2015, general elections were once again held and the NLD and Suu Kyi were once again in the national spotlight with an overwhelming majority but military power has not disappeared. Myanmar is presently confronted with many issues including the Rohingyas who are not yet recognised as the citizens. India-Myanmar relations will continue as before and if military and Aung San Su Kyi will cooperate, India's relations will be furthered. On the other hand, Myanmar-China relation will increase substantially.

Key points that emerged during the discussion

- Chinese foreign policy has four pillars constituting of major powers, neighbouring countries, developing world and multilateral forums. India is there in each of these pillars.
- China enjoys trade surplus not only with India but with many countries in the world given its manufacturing capacity. China is working on improving the access of Indian pharmaceutical products in China. But there are some concerns in China about India's IP issues with the U.S.
- On the water issue, Indian concerns were equated with Bangladesh's concerns given the upper riparian countries. Both India and China need to jointly address the issue and explore the best ways to share water resources.
- AIIB loans for development in North east India is open. But in case of disputed territories in the region, the question is not about loans but about territorial sovereignty.
- China has important interests in South Asia. China shares borders with five of the SAARC countries. It was stressed that both sides need to be sensitive to each other's interests and concerns.
- To understand China's support for Pakistan's nuclear project, one has to revisit the cold war era. China has its own sets of interest and concerns in Pakistan.
- The concept of peace has changed. Managing peace only through military is a problem. It is difficult to have peace only through military means. New ideas are required to manage border.
- Project Mausam is at a conceptual stage and is basically culture centric. There is no military component to it.



TRACKING JAPAN

India-Japan summit meeting held in Delhi

Japanese Prime Minister Shinzo Abe visited India from December 11-13. During the annual summit meeting, Prime Minister Modi and his Japanese counterpart underscored their determination to transform the India-Japan Special Strategic and Global Partnership into a deep, broad-based and action-oriented partnership based on the broad convergence of their long-term political, economic and strategic goals. The *Joint Statement on India and Japan Vision 2025: Special Strategic and Global Partnership Working Together for Peace and Prosperity of the Indo-Pacific Region and the World* was issued. Both countries stressed their commitment to realise a peaceful, open, equitable, stable and rule-based order in the Indo-Pacific region and beyond. The joint statement focussed on the importance of the sea lanes of communications in the South China Sea and urged all states to keep away from unilateral actions that could lead to regional tensions and both countries agreed to hold regular close consultations on the issues related to maritime safety and security of sea lanes of communication. Furthermore, two agreements including *Agreement concerning the Transfer of the Defence Equipment and Technology* and the *Agreement concerning Security Measures for the Protection of Classified Military Information* were signed. Besides, the *Agreement for Cooperation in the Peaceful Uses of Nuclear Energy* was reached and it will be signed after the technical details are finalised.¹ Meanwhile, Japanese government agreed to relax few visa regulations including visa issuance requirements for Indian nationals from January 11, 2016.² One of the biggest take away includes Rs 79,000 crore loan for a period of 50 years with 15 years moratorium at 0.1 percent interest rates for the Mumbai–Ahmedabad HSR Project.³ Memorandum of Cooperation on introduction of Japan's High Speed Railways technologies to Mumbai-Ahmedabad route was signed. Besides, Japan has promised a loan of Rs 4,000 crore for improvement of road network connectivity in North Eastern states particularly two major highway projects in Mizoram and Meghalaya.

Japan-South Korea summit meeting

On November 2, the much awaited Japan-South Korea bilateral summit meeting was held in Seoul. During the meeting both countries focused on a future-oriented cooperative relationship. Japanese Foreign Minister Fumio Kishida and his South Korean counterpart Yun Byung-se were also present. Both sides discussed several issues including security situation in North Korea and denuclearisation, significance of the Japan-China-ROK Free Trade Agreement (FTA) and Regional Comprehensive Economic Partnership (RCEP), and the significance of the Trans-Pacific Partnership (TPP).⁴ Besides, comfort women issue featured in the leader's discussion where both agreed to an early resolution of the issue which has been a stumbling block in the bilateral relations.⁵ Since

¹ 'Joint Statement on India and Japan Vision 2025: Special Strategic and Global Partnership Working Together for Peace and Prosperity of the Indo-Pacific Region and the World (December 12, 2015)', *Ministry of External Affairs*, December 12, 2015 http://www.mea.gov.in/bilateral/documents.htm?dtl/26176/Joint_Statement_on_India_and_Japan_Vision_2025_Special_Strategic_and_Global_Partnership_Working_Together_for_Peace_and_Prosperty_of_the_IndoPacific_R accessed January 15 2016

² 'Substantial Relaxation of Visa Requirements for Nationals of India', *Ministry of Foreign Affairs Japan*, December 12, 2015 http://www.mofa.go.jp/press/release/press3e_000049.html accessed January 15 2016

³ Mamuni Das, 'Japan hands out sweet deal for bullet train; beats expectations on soft loan terms', *The Hindu Business Line*, December 12, 2015 <http://www.thehindubusinessline.com/economy/logistics/japan-hands-out-sweet-deal-for-bullet-trainbeats-expectations-on-soft-loan-terms/article7980794.ece> accessed January 15 2016

⁴ 'Japan-ROK Summit Meeting', *Ministry of Foreign Affairs Japan*, November 2, 2015 http://www.mofa.go.jp/a_o/na/kr/page3e_000408.html accessed January 15 2016

⁵ 'Abe, Park hold first bilateral talks since taking office, address 'comfort women' dispute', *The Japan Times*, November 2, 2015, <http://www.japantimes.co.jp/news/2015/11/02/national/abe-park-hold-first-bilateral-talks-since-taking-office/#.VmUUo6-6a1t> accessed January 15 2016

2015 commemorates the 50th anniversary of the normalisation of Japan-ROK relations, both leaders agreed to strengthen cooperation on various issues including security, people-to-people exchanges, and economy. On the subject of North Korea, both countries confirmed that Japan-ROK and Japan-US-ROK, will strongly work on the denuclearisation and abductions issue.⁶

Japan-China-South Korea trilateral summit meeting held in Seoul

After three and a half years hiatus, on November 1, the sixth Japan-China-South Korea trilateral meeting was held in Seoul where Japanese Prime Minister Shinzo Abe, South Korean President Park Geun-hye, and Chinese Premier Li Keqiang agreed to further strengthen cooperation in a number of areas such as disaster risk reduction, environment, youth exchange, and economy. Following the summit meeting, several Joint Statements were issued including for *Peace and Cooperation in Northeast Asia*, *Environmental Cooperation*, *Economy and Trade Cooperation*, *Customs Cooperation on Trade Facilitation*, *Agricultural Cooperation*, and *Education Cooperation*. Three leaders expressed their security concerns emanating from the development of nuclear weapons by North Korea and stressed that all relevant UNSC resolutions and the Joint Statement of the Six-Party Talks must be implemented. Furthermore, all three leaders underscored the significance of trilateral cooperation in East Asian regional cooperation, and agreed to work towards the economic integration of East Asia with the establishment of the ASEAN Community in 2015. With regard to counterterrorism, they appreciated the Trilateral Consultation on Counterterrorism and Trilateral Policy Dialogue on African Affairs. The seventh trilateral summit will be in Japan in 2016.⁷

Japan-Australia summit meeting held in Tokyo

The annual Japan-Australia summit was held in Tokyo on December 18 where Japanese Prime Minister Shinzo Abe and Australian Prime Minister Malcolm Turnbull agreed to strengthen the strategic partnership, founded on shared values and strategic interests including democracy, human rights, rule of law, open markets and free trade, economic and people-to-people relations. A Joint Statement titled *Next steps of the Special Strategic Partnership: Asia, Pacific and Beyond* was issued. Both leaders recognised the importance of the Japan-Australia Economic Partnership Agreement (JAPEA) that became effective in 2015. Earlier, on November 22, the sixth Japan-Australia 2+2 Foreign and Defence Ministerial Consultations was hosted in Sydney.⁸ Both countries underscored their support for the U.S. rebalance and stressed on the importance of the trilateral strategic dialogue and trilateral cooperation between Japan-Australia-U.S. and Japan-Australia-India dialogue. Several other important issues including cyber security, global economy, G20, nuclear disarmament and non-proliferation, and North Korea were discussed. Moreover, they articulated their opposition to any unilateral actions that could alter the status quo in the East China Sea and South China Sea and urged all claimants to stop “land reclamation or construction, and to refrain from using any land features for military purposes”.⁹ Prime Minister Turnbull declared Japan as Australia’s public diplomacy focus country for 2018. Besides, the Australian “deep disappointment with Japan’s decision to conduct whaling in the Southern Ocean” was raised.

⁶ ‘Japan-ROK Summit Meeting’, *Ministry of Foreign Affairs Japan*, November 2, 2015 http://www.mofa.go.jp/a_o/na/kr/page3e_000408.html accessed January 15 2016

⁷ ‘The Sixth Japan-China- ROK Trilateral Summit’, *Ministry of Foreign Affairs Japan*, November 2, 2015 http://www.mofa.go.jp/a_o/rp/page3e_000409.html accessed January 15 2016

⁸ ‘Japan-Australia Sixth Joint Foreign and Defense Ministerial Consultations (“2+2”)’, *Ministry of Foreign Affairs Japan*, November 20-23, 2015, December 4, 2015 http://www.mofa.go.jp/a_o/ocn/au/page3e_000410.html accessed January 15 2016

⁹ ‘Prime Minister Abe and Prime Minister Turnbull Joint Statement, Next steps of the Special Strategic Partnership: Asia, Pacific and Beyond’, *Ministry of Foreign Affairs Japan*, December 18, 2015 http://www.mofa.go.jp/a_o/ocn/au/page4e_000362.html accessed January 15 2016

Shinzo Abe attends ASEAN related summits

The 18th Japan-ASEAN summit meeting was held in Kuala Lumpur on November 22. During the meeting, Prime Minister Abe argued that with regard to Japanese commitment of ODA totalling 2 trillion yen for five years announced in 2013, Japan has by now implemented 1 trillion yen. He further stressed that in order to support ASEAN's sustainable and inclusive development, Japan will trim down the period needed for procedures of ODA loans to 1.5 years, and increase investment and finance in collaboration with the Asian Development Bank, and offer funding for projects for quality infrastructure investment. Japan further decided to support industrial human resource development of 40,000 people over the next three years and help small businesses by women through micro-financing and establish Japan-ASEAN Women Empowerment Fund. During the meeting, both sides discussed several regional issues including maritime security and North Korea. Abe conveyed Japanese concern over the developments in the South China Sea, and East China Sea.¹⁰

The 18th ASEAN plus Three (Japan-China-Republic of Korea) summit meeting was held on November 21 where Abe articulated that Japan will strengthen cooperation in the areas of higher education and public health. Moreover, Japan will encourage innovation from Asia so that Asian nations can continue to lead the world economy. Abe further stated that it is vital to reinforce the financial safety net in backdrop of the risk of increased volatility in the global financial market in the future.¹¹ On November 22, Prime Minister Abe attended the 10th East Asia Summit where he expressed his support for counter-terrorism and countering violent acts of extremism. He reiterated that Japan will support in a seamless manner capacities of nations to defend their maritime areas, by uniting measures like ODA, assistance for capacity building as well as cooperation on defence equipment and technology. The leaders adopted the EAS Statement on Enhancing Regional Maritime Cooperation.¹²

Japan-Russia summit meeting held on the sidelines of G20

On November 15, Japanese Prime Minister Shinzo Abe met with Russian President Vladimir Putin in Antalya on the sidelines of G20 Summit. Both leaders reflected on the status of the relationship following Japanese Foreign Minister Kishida's visit to Russia in September, the various cooperative ventures and contact between Japan and Russia, including in economic areas. They agreed that constructive dialogue between the two countries, including various projects, Japan-Russia Intergovernmental Committee on Trade and Economic Issues, and the Advisory Council on Modernisation of Russian Economy has further deepened the relations. With regard to the peace treaty negotiations, President Putin said that the second round of Vice-Ministerial level negotiations held in October were helpful discussions. Meanwhile, Prime Minister Abe noted that constructive dialogue on the subject of energy saving, urban environment, medical care, and agriculture benefitted the bilateral relations. On the prospect of future dialogue, both leaders confirmed that based on the schedule, preparation will be made for President Putin's visit to Japan.¹³

¹⁰ 'The 18th Japan-ASEAN Summit Meeting', *Ministry of Foreign Affairs Japan*, November 22, 2015 http://www.mofa.go.jp/a_o/rp/page3e_000422.html accessed January 15 2016

¹¹ '18th ASEAN Plus Three (Japan-China-Republic of Korea) Summit Meeting', *Ministry of Foreign Affairs Japan*, November 22, 2015 http://www.mofa.go.jp/a_o/rp/page3e_000431.html accessed January 15 2016

¹² 'The 10th East Asia Summit Meeting', *Ministry of Foreign Affairs Japan*, November 22, 2015 http://www.mofa.go.jp/a_o/rp/page3e_000426.html accessed January 15 2016

¹³ 'Japan-Russia Summit Meeting', *Ministry of Foreign Affairs Japan*, November 16, 2015 http://www.mofa.go.jp/erp/rss/northern/page4e_000349.html accessed January 15 2016

Developments in Japan-U.S. relations

On November 19, Prime Minister Shinzo Abe held a summit meeting with President Barack Obama in Manila. Abe, in his remarks, underscored his aim to further strengthen Japan-U.S. Defence Cooperation under the new guidelines, reiterated his resolve regarding the relocation of Marine Corps Air Station (MCAS) Futenma to Henoko, and join forces on dealing with the impact on Okinawa. Both leaders discussed several issues including revision of the Agreement on the Host Nation Support (HNS), TPP, freedom of navigation operations by the U.S. Navy in the South China Sea, collaboration with ASEAN, strategic dialogues with the Australia and India and trilateral cooperation like Japan-U.S.-India. President Obama argued that the U.S. supports and will cooperate in building regional networks with the Japan-U.S. alliance as the linchpin to secure stability and peace.¹⁴

Earlier on November 3, Japan and the U.S. instituted a new body to combine security and diplomacy related activities of the SDF and the U.S. military. Subcommittee for Defence Cooperation decided to establish the group founded on the revised Japan-U.S. defence cooperation guidelines. Members from the Japanese National Security Council, Foreign and Defence Ministries and the SDF and the U.S. National Security Council, State Department, Office of the Secretary of Defence, and Joint Chiefs will constitute the new group. There is expected to be a joint plan recommending defence force reactions to particular emergency circumstances. This plan intends to utilise the recent shifts in Japan's security legislation and expand SDF activities.¹⁵ Meanwhile, the fourth U.S.-Japan Meeting of the Commission on Civil Nuclear Cooperation was held on November 4 in Washington.¹⁶ In addition, the bilateral Extended Deterrence Dialogue was held from November 17-19 in California where both sides engaged in frank discussions on ways to secure alliance deterrence as part of their security and defence cooperation.¹⁷

Abe-Li meeting in Seoul

Japanese Prime Minister Shinzo Abe had a meeting with Chinese Premier Li Keqiang on November 1, on the sidelines of the Japan-China-South Korea trilateral summit in Seoul. During the meeting, both leaders shared the view that political will exists to further improve the Japan-China relationship and both nations have big responsibility to ensure regional peace and prosperity. The two leaders argued the case of adopting positive policies reciprocally, address issues of concern based on past agreements between Japan and China, and further strengthen exchanges and cooperation in the economic fields and other areas. With regard to particular outcomes, both sides agreed to resume the mutual visit of the Foreign Ministers, hold Japan-China High-Level Economic Dialogue in early 2016, reinforce mutual efforts to achieve the early commencement of the implementation of the Maritime and Aerial Communication Mechanism between Japan-China defense authorities and deepen economic and financial cooperation. Meanwhile, Japan's Foreign Minister Fumio Kishida also had a meeting with China's Foreign Minister Wang Yi on November 1 where both sides exchanged views to further develop the Japan-China relationship.¹⁸

¹⁴ 'Japan-U.S. Summit Meeting', *Ministry of Foreign Affairs Japan*, November 20, 2015 http://www.mofa.go.jp/na/na1/us/page4e_000351.html accessed January 15 2016

¹⁵ 'Japan, U.S. to unify defense operations under new body, action plan', *Kyodo*, November 3, 2015 <https://www.youtube.com/watch?v=kdHjxpcGvMk> accessed January 15 2016

¹⁶ 'The Fourth Meeting for the U.S.-Japan Bilateral Commission on Civil Nuclear Cooperation', *Ministry of Foreign Affairs Japan*, November 9, 2015 http://www.mofa.go.jp/press/release/press4e_000909.html accessed January 15 2016

¹⁷ 'Japan-U.S. Extended Deterrence Dialogue', *Ministry of Foreign Affairs Japan*, November 17, 2015 http://www.mofa.go.jp/press/release/press4e_000920.html accessed January 15 2016

¹⁸ 'Japan-China Summit Meeting and Foreign Ministers Meeting', *Ministry of Foreign Affairs Japan*, November 1, 2015 http://www.mofa.go.jp/a_o/c_m1/cn/page3e_000404.html accessed January 15 2016

Meanwhile, the Japanese and Chinese Defence Ministers on November 4 met for the first time since June 2011 in Kuala Lumpur where both sides concurred the need for early commencement of a maritime communication mechanism to avoid accidental clashes at sea and air.¹⁹

Japan welcomes the adoption of DPRK related resolution on human rights

On November 20, Japanese Foreign Ministry welcomed the development that the Resolution on the Situation of Human Rights in the DPRK, co-tabled by Japan and the European Union was adopted by 112 assenting votes at the third committee of the UN General Assembly in New York. Besides, condemning DPRK's methodical and widely prevalent violations of human rights, it supports the UN Security Council to undertake suitable action, together with the idea of referring the state of affairs in the DPRK to the International Criminal Court (ICC). Furthermore, the resolution welcomed the institution of the office of the United Nations High Commissioner for Human Rights in Seoul. Moreover, Japan also underscored the importance of early resolution of the abductions question and urged for the improvement in the human rights situation in DPRK.²⁰

Japan strengthens cooperation with Philippines, Vietnam and Indonesia

Following the Japan-Philippines summit meeting on November 19, on the sidelines of the 23rd APEC Economic leaders meeting, President Benigno S. Aquino III articulated expectations that an agreement to advance Philippines' defence ties with Japan will be finalised at an early date since both countries reportedly agreed in principle on the transfer of defence equipment and technology.²¹ Reports suggest that Philippines wants large patrol vessels for the Coast Guard. Earlier in June, during Aquino's visit to Japan, both leaders decided to explore the transfer of Japanese military hardware and technology to the Philippines. During their meeting, both leaders shared their concerns regarding the developments in South China Sea and reiterated the importance of rule of law to protect open, free and peaceful seas. Besides, Japanese Emperor Akihito and Empress Michiko are scheduled to visit the Philippines next year to celebrate the 60th anniversary of the two countries' diplomatic relations. Japan intends to offer 15 billion yen to finance an agribusiness project in Mindanao. Furthermore, following the summit meeting, a social security agreement was signed that would uphold worker's rights.

On November 20, a Japan-Vietnam meeting was hosted in Kuala Lumpur on the sidelines of the ASEAN-related summit meetings where both sides stressed on further boosting the bilateral relationship based on the Extensive Strategic Partnership. They agreed to cooperate on maritime security issues including the delivery of the used Japanese maritime vessels. Meanwhile, Vietnam extended support for Japan's "Proactive Contribution to Peace" initiative. Furthermore, two countries discussed several issues including the developments in the South China Sea, North Korea, climate change, Trans-Pacific Partnership (TPP), and the Regional Comprehensive Economic Partnership (RCEP).²²

¹⁹ 'Japan, China agree to maritime communication mechanism to prevent conflict', *Kyodo*, November 5, 2015 <http://www.japantimes.co.jp/news/2015/11/05/national/politics-diplomacy/japan-china-agree-to-maritime-communication-mechanism-to-prevent-conflict/> accessed January 15 2016

²⁰ 'The Adoption of the Resolution on the Situation of Human Rights in the Democratic People's Republic of Korea (DPRK) at the Third Committee of the 70th Session of the United Nations General Assembly, (Statement by Foreign Minister Fumio Kishida)', *Ministry of Foreign Affairs Japan*, November 20, 2015 http://www.mofa.go.jp/press/release/press4e_000945.html accessed January 15 2016

²¹ 'Japan, Philippines strike broad accord on defense equipment transfer', *Kyodo*, November 20, 2015 <http://www.japantimes.co.jp/news/2015/11/20/national/politics-diplomacy/japan-philippines-strike-broad-accord-defense-equipment-transfer/>; Alexis Romero, 'Philippines, Japan vow closer defense ties', *The Philippine Star*, November 20, 2015 <http://www.philstar.com/headlines/2015/11/20/1523839/philippines-japan-vow-closer-defense-ties> accessed January 25 2016

²² 'Japan-Vietnam Summit Meeting', *Ministry of Foreign Affairs Japan*, November 20, 2015 http://www.mofa.go.jp/s_sa/sea1/vn/page4e_000350.html accessed January 25 2016

On November 22, Japanese Prime Minister Shinzo Abe held a summit meeting with Indonesian President, Joko Widodo in Kuala Lumpur, on the sidelines of the ASEAN-related summit meeting. Abe focused on strengthening the strategic partnership and stressed on Japan's intention to cooperate on the development of high quality infrastructure, including transportation, ports, and electric power. Meanwhile, the joint foreign and defence ministerial consultations was held in December. South China Sea featured in the discussion between the two leaders.²³

TRACKING CHINA

18th Australia-China defence strategic dialogue held in Canberra

The 18th Australia-China defence strategic dialogue was held in Canberra on December 1, where both sides discussed military-to-military relations, defence cooperation, international and regional situation. Gen. Fang Fenghui exchanged views with Chief of Australian Defense Force, Mark Binskin, and Australian Secretary of Defense, Dennis Richardson. Gen. Fang also met Australian Defense Minister, Marise Payne during his visit to Australia.²⁴ *Xinhua* reported that the improved bilateral relationship will result in two countries conducting joint counter-terrorism operations and peace-keeping training, in addition to the exchange of senior military officials. Gen. Fang underscored that relation between the two armies had arrived a new era since China and Australia elevated their relation to comprehensive strategic partnership during Chinese President Xi Jinping's visit to Australia.²⁵

President Xi insists on innovations while reforming the armed forces

Chinese President Xi Jinping, during a meeting from November 24-26 held in Beijing, insisted on innovations to reform the armed forces by 2020 and pledged to reorganise the present military administration structure and military command system. President Xi stressed that a new structure will be instituted, in which the CMC takes responsibility of the general administration of the People's Liberation Army (PLA), the Chinese People's Armed Police and the militia and reserve forces. The battle zone commands will concentrate on combats and other military services will follow their own construction. Xi called upon the PLA to uphold correct political direction and articulated that CPC has absolute leadership of the armed forces. There were mention of procedures designed to integrate the administrative system and the joint battle command system including a general command center for land forces and permitting the CMC to directly administer and command several military departments. Moreover, the existing regional military commands will be modified and regrouped into fresh battle zone commands controlled by the CMC. It is underscored that the reform will create a three-tier CMC - battle zone commands - troops command system. Furthermore, President Xi stressed that defence and military reforms are critical steps in the coming days. Besides, the military was asked to "stand at strategic commanding heights" in future competitions.²⁶

²³ 'Japan-Indonesia Summit Meeting', *Ministry of Foreign Affairs Japan*, November 22, 2015 http://www.mofa.go.jp/s_sa/sea2/id/page3e_000419.html accessed January 25 2016

²⁴ Zhang Tao, 'China, Australia vow to strengthen mil-to-mil relations', *China Military Online*, December 1, 2015 http://eng.mod.gov.cn/DefenseNews/2015-12/01/content_4631228_3.htm accessed January 25 2016

²⁵ 'China, Australia to expand military ties, usher in new era of collaboration', *Xinhua*, December 2, 2015 http://news.xinhuanet.com/english/2015-12/02/c_134876871.htm accessed January 25 2016

²⁶ Zhang Tao, 'Xi urges breakthroughs in military structural reform', *Xinhua*, November 26, 2015 http://eng.mod.gov.cn/DefenseNews/2015-11/26/content_4630715 accessed January 25 2016

Developments in South China Sea

On October 27, USS Lassen sailed within 12 nautical miles off Zhubi Reef of the Nansha Islands. Meanwhile, US Deputy National Security Adviser Ben Rhodes said that there would be more demonstrations of the US' commitment to the freedom of navigation in the South China Sea as it serves their interests. Ministry of Foreign Affairs of the People's Republic of China issued a statement arguing that "the USS Lassen illegally entered waters near relevant islands and reefs of China's Nansha Islands without the permission of the Chinese government"²⁷ and articulated "strong dissatisfaction and opposition". The statement further stressed that while China respects freedom of navigation and over-flight in the South China, it is against any harm to Chinese "sovereignty and security interests under the cloak of navigation and over-flight freedom".²⁸ Chinese authorities stressed that they will defend its territorial sovereignty and its maritime rights and interests. Furthermore, China conveyed that it will strongly respond to any needling by any nation and undertake every required measure to protect its territory. Besides, China called on the U.S. side "to take China's solemn representations seriously, put right mistakes, refrain from any dangerous or provocative actions detrimental to China's sovereignty and security interests, and honor its commitment of not taking sides on disputes over territorial sovereignty so as to avoid any further damage to China-US relations and regional peace and stability".²⁹ *Xinhua* in one of its articles argued that while it is comprehensible for the U.S. to be posturing as a defender of global order, however despatching warships and planes to the islands "may have stepped out of the line" and is "counterproductive to the solution of the disputes".³⁰ Meanwhile, reports indicated that the Chinese navy has conducted trainings in South China Sea, engaging destroyers and frigates, carrier-based helicopters and submarines. It focussed on anti-submarine warfare.³¹

Vice Chairman Fan Changlong visits India

Chinese Vice Chairman of Central Military Commission, Fan Changlong visited India in November. Prime Minister Modi, during his meeting with Vice Chairman Fan underscored the need to strengthen military exchanges between the two countries to ensure peace in border region. Furthermore, the importance of building strategic trust and boost personnel exchanges were highlighted. Vice Chairman Fan stressed that both countries decided to upgrade the level of cooperation between armed forces and appropriately manage differences and undertake effective measures to uphold peace and stability in the border region.³² Meanwhile, Vice Chairman Fan also held meeting with the Defence Minister Manohar Parrikar and other military leaders in India where both sides agreed to cooperate in fighting terrorism. Defence Minister Parrikar argued that both nations are victims of terrorism and India wants to fight against global terrorism along with China. Additionally, India expressed the need to expand dialogue and coordination with China and improve exchanges between the border troops to boost the relations between both militaries.³³ Besides, Vice Chairman Fan Changlong also had a meeting with the Indian

²⁷ 'Foreign Ministry Spokesperson Lu Kang's Remarks on USS Lassen's Entry into Waters near Relevant Islands and Reefs of China's Nansha Islands', *Ministry of Foreign Affairs of the People's Republic of China*, October 27, 2015 http://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/2535_665405/t1309567.shtml accessed January 25 2016

²⁸ *ibid*

²⁹ 'Foreign Ministry Spokesperson Lu Kang's Regular Press Conference', *Ministry of Foreign Affairs of the People's Republic of China*, October 27, 2015 http://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/2511_665403/t1309625.shtml accessed January 25 2016

³⁰ 'China Headlines: U.S. ship patrolling in South China Sea counterproductive', *Xinhua*, October 28, 2015 http://news.xinhuanet.com/english/2015-10/28/c_134758861.htm accessed January 25 2016

³¹ Dong Zhaohui, 'China conducts military drills in South China Sea', *Xinhua*, November 21, 2015 http://eng.mod.gov.cn/DefenseNews/2015-11/21/content_4629450.htm accessed January 25 2016

³² Zhang Tao, 'Indian PM wishes to deepen military exchanges with China', *Xinhua* November 18, 2015 http://eng.mod.gov.cn/DefenseNews/2015-11/18/content_4629080.htm accessed January 25 2016

³³ Zhang Tao Chinese, 'Indian senior defense officials call for cooperation in fighting terrorism', *Xinhua*, November 17, 2015 http://eng.mod.gov.cn/DefenseNews/2015-11/17/content_4628862.htm accessed January 25 2016

Army Chief, General Dalbir Singh, where both sides expressed the need to enhance mutual understanding so that border cooperation can be improved.³⁴

China-Russia deepens military engagement

On November 18, Chinese Political Bureau member and Vice Chairman of Central Military Commission (CMC), Xu Qiliang had a meeting with Russian Defense Minister Sergei Shoigu in Moscow. Xu stressed that both countries have deepened cooperation in various areas including joint training exercises, military skill competitions and military cultures in 2015. Both leaders underscored that they are prepared to further strengthening their comprehensive and mutually beneficial cooperation and search new areas of cooperation aimed at making positive efforts to endorse progressive relations between the two militaries. The meeting was attended by Chinese Ambassador to Russia, Li Hui, and the Deputy Chief of General Staff of PLA, Yi Xiaoguang, and Deputy Director of the PLA General Armament Department, Liu Sheng.³⁵ Additionally, during Xu's meeting with Russian President Vladimir Putin, both sides welcomed the developments in the bilateral comprehensive partnership of strategic coordination. Meanwhile, President Putin argued that joint military drills, and army training must be increased between the two countries for more pragmatic cooperation.³⁶

China-South Korea naval drill

The Chinese and South Korean navy held joint drills on November 17 focussing on anti-piracy, search and seizure training, medical aid and rescue and helicopter landing on each other's warship in Gulf of Aden. The objective is to increase coordination in all areas, gather experience in communication commanding, and strengthen capabilities of jointly dealing with emergencies and completing escort missions, and expand bilateral trust and friendship.³⁷ Chinese missile frigate Liuzhou and South Korean Chungmugong Yi Sun-sin class destroyer participated in the joint military drill.

President Xi attends APEC economic leaders' meeting

On November 19, Chinese President Xi Jinping pressed the Asia-Pacific economies to increase win-win cooperation in quest of shared prosperity during the 23rd Asia-Pacific Economic Cooperation (APEC) economic leaders' meeting in Manila. Furthermore, President Xi underscored the importance of intensive action in managing poverty, and efforts to promote green and low-carbon development.³⁸ On November 18, President Xi Jinping at the APEC CEO summit called on to hasten regional economic integration and improve Asia-Pacific connectivity. He stressed that China is making efforts to reinforce macro regulation and efficiently implement reforms. Xi furthered argued that China will intensify reform and innovation, economic restructuring, and encourage new drivers of development. He also called for accelerating the process of the Free Trade Area of the Asia-Pacific (FTAAP) and reinforce the comprehensiveness of free trade. The connectivity design has to be genuinely

³⁴ Zhang Tao, 'China, India vow to strengthen border cooperation', *China Military Online*, November 16, 2015 http://eng.mod.gov.cn/DefenseNews/2015-11/16/content_4628828.htm accessed January 25 2016

³⁵ Zhang Tao, 'Chinese military leader talks with Russian defense minister', *China Military Online* November 19 2015 http://eng.mod.gov.cn/DefenseNews/2015-11/19/content_4629212.htm accessed January 25 2016

³⁶ Zhang Tao, 'China, Russia reaffirm cooperation on military defense', *Xinhua*, November 18, 2015 http://eng.mod.gov.cn/DefenseNews/2015-11/18/content_4629000.htm accessed January 25 2016

³⁷ Yao Jianing, 'Chinese, ROK navy escort vessels hold joint drills in Gulf of Aden', *China Military Online*, November 19, 2015, http://eng.mod.gov.cn/DefenseNews/2015-11/19/content_4629230_3.htm accessed January 25 2016

³⁸ 'Xi urges closer Asia-Pacific cooperation for common prosperity, condemns terrorism', *Xinhua*, November 19, 2015 http://news.xinhuanet.com/english/2015-11/19/c_134834724.htm accessed January 25 2016

implemented to attain concrete results and Silk Road Fund and Asian Infrastructure Investment Bank (AIIB) works to that end.³⁹

Premier Li Keqiang attends China-ASEAN summit, East Asia summit

The 18th ASEAN-China Summit was held on November 21 in Kuala Lumpur. Chinese Premier Li Keqiang applauded the establishment of the ASEAN Community. To commemorate the 25th anniversary of ASEAN-China Dialogue relations in 2016, both sides agreed to further promote deeper cooperation in numerous areas including political, economic and socio-cultural cooperation. The *Chairman's Statement of the 18th ASEAN-China Summit-Our People, Our Community, Our Vision* stressed the significance of upholding peace, security and stability, and maintaining freedom of navigation in and over-flight above the South China Sea.⁴⁰ Chinese Premier Li Keqiang guaranteed infrastructure loans amounting to US\$10 billion and suggested further cooperation in railway and production capacity. Moreover, Li made a few proposals including supporting institution building by realising their new five-year action, accelerate the trade and economic cooperation, early negotiations for the Regional Comprehensive Economic Partnership (RCEP), combining China's Belt and Road Initiative and other regional development approaches to support integration and cooperate in maritime security.⁴¹ Meanwhile, both sides upgraded their FTA, following four rounds of talks that officially started in August 2014, which inserted fresh impetus into regional economic cooperation.⁴²

On November 22, Premier Li Keqiang attended the tenth East Asia Summit (EAS) at Kuala Lumpur and stressed on accelerating "regional economic integration and forge East Asia into a pole of stable growth in world economy". He underscored that China is evolving the Belt and Road and global production capacity cooperation with several nations in East Asia, and suggested that the financial institutions of nations in the region create an Association for Asian Financial Cooperation. He further argued the importance of dialogue on political security while creating security architecture appropriate for the region. Premier Li articulated that East Asian nations are interdependent and have progressively become a community of interests and responsibility.⁴³

China-Pakistan held joint anti-terrorism exercise in Ningxia

On December 8, the fifth China-Pakistan joint anti-terrorism exercise started at PLA's Qingtongxia combined tactics training base in Ningxia Hui Autonomous Region. The drill had two phases including exchange of anti-terror tactics training and comprehensive drills, targeting to advance the interoperability amongst the land forces of the two nations in joint anti-terrorism actions.⁴⁴ This joint training constitutes a part of a series of events

³⁹ Yang Yijun, Wang Huihui, Zang Xiaocheng, 'Spotlight: Xi's APEC remarks herald better future of regional common development', *Xinhua*, November 19, 2015 http://news.xinhuanet.com/english/2015-11/19/c_134830865.htm accessed January 25 2016

⁴⁰ 'Chairman's Statement of the 18th ASEAN-China Summit Kuala Lumpur, 21 November 2015 Our People, Our Community, Our Vision', ASEAN Website, 21 November 2015 [Http://www.Asean.Org/Wp-Content/Uploads/Images/2015/November/27th-Summit/Statement/Chairmans%20statement%20of%20the%2018th%20asean-China%20summit%20final.Pdf](http://www.Asean.Org/Wp-Content/Uploads/Images/2015/November/27th-Summit/Statement/Chairmans%20statement%20of%20the%2018th%20asean-China%20summit%20final.Pdf) accessed January 25 2016

⁴¹ Huaxia, 'Spotlight: China, ASEAN expected to make fortune together', *Xinhua*, November 22, 2015 http://news.xinhuanet.com/english/2015-11/22/c_134840763.htm accessed January 25 2016

⁴² Huaxia, 'China, ASEAN seals deal to upgrade bilateral FTA', *Xinhua*, November 23, 2015 http://news.xinhuanet.com/english/2015-11/23/c_134842731.htm accessed January 25 2016

⁴³ 'Li Keqiang Attends Tenth East Asia Summit, Emphasizing to Uphold Unity and Cooperation to Forge East Asia into Pole of Stable Growth in World Economy', *Ministry of Foreign Affairs of the People's Republic of China*, November 23, 2015 http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1318286.shtml accessed January 25 2016

⁴⁴ Yao Jianing, 'China, Pakistan hold joint anti-terrorism training in Ningxia', *China Military Online*, December 9, 2015 http://eng.mod.gov.cn/DefenseNews/2015-12/09/content_4632116.htm accessed January 25 2016

celebrating the Year of Friendship 2015 between the two countries. It is expected to improve and further reinforce the strong military relations between the two neighbouring countries.⁴⁵

President Xi Jinping visits Vietnam and Singapore

On November 5, Chinese President Xi Jinping paid a two-day state visit to Hanoi. During his speech at the National Assembly of Vietnam, President Xi articulated that China-Vietnam relations bear strategic significance and both nations must make efforts to ease disruptions in ties. He further argued that both countries should celebrate the 65th anniversary of the instituting of diplomatic connections and maintain the general China-Vietnam relationship in the right course. Prior to speaking at the Parliament, Xi had a meeting with General Secretary of the Communist Party of Vietnam (CPV) Central Committee, Nguyen Phu Trong and met with National Assembly Chairman, Nguyen Sinh Hung.⁴⁶ The joint communique talks about increasing cooperation with regard to China's OBOR Initiative, and Vietnam's "Two Corridors and One Economic Circle" strategy; increasing production capacity; and undertaking a feasibility study regarding the railway project, linking Hanoi, Lao Cai and Hai Phong in northern Vietnam. Moreover, China and Vietnam decided to develop cooperation on technology, education, culture and tourism. They further decided to launch the inspection of waters outside the mouth of the Beibu Gulf in December.⁴⁷

During President Xi's Singapore visit, both sides discussed establishment of an all-round cooperative partnership progressing with times so as to raise bilateral relations to an advanced level. Singapore welcomed China's OBOR Initiative and both nations supported the development of the third government-to-government project in China's western region. They further agreed to reinforce cooperation on law enforcement, security and jointly fight transnational crimes for example corruption and money laundering.⁴⁸

TRACKING THE KOREAN PENINSULA

Historic agreement on comfort women issue

On December 28, South Korean Foreign Minister Yun Byung-se and his Japanese counterpart Fumio Kishida had a meeting in Seoul where both countries negotiated an historic agreement on the contentious issue of the comfort women. This agreement reportedly have "resolved finally and irreversibly" the issue of comfort women.⁴⁹ Japanese Prime Minister Shinzo Abe offered an apology articulating his nation's remorse and both sides decided to refrain from criticising the other side over the problem in the international community.⁵⁰ Moreover, Japan agreed to address the issue of comfort women through its budget and decided to give 1 billion yen (\$8.3 million)

⁴⁵ Li Fangfang, 'China-Pakistan Military Exercise Kicks off', *Beijing Review*, December 8, 2015 http://www.bjreview.com/World/201512/t20151211_800044596.html accessed January 25 2016

⁴⁶ 'Xi hails China-Vietnam friendship, calling for proper handling of differences', *Xinhua*, November 6, 2015 http://news.xinhuanet.com/english/2015-11/06/c_134790243.htm accessed January 25 2016

⁴⁷ 'China, Vietnam issue joint communique', *Xinhua*, November 6, 2015 http://news.xinhuanet.com/english/video/2015-11/06/c_134791190.htm accessed January 25 2016

⁴⁸ 'Joint Statement between the People's Republic of China and the Republic of Singapore on the Establishment of an All-Round Cooperative Partnership Progressing with the Times', *Ministry of Foreign Affairs Singapore*, November 07, 2015 http://www.mfa.gov.sg/content/mfa/media_centre/press_room/pr/2015/201511/press_20151107.html accessed January 25 2016

⁴⁹ 'Announcement by Foreign Ministers of Japan and the Republic of Korea at the Joint Press Occasion', *Ministry of Foreign Affairs Japan*, December 28, 2015 http://www.mofa.go.jp/a_o/na/kr/page4e_000364.html accessed January 25 2016

⁵⁰ Wi Tack-whan, Chang lou-chung, Korea, 'Japan reach an agreement on 'comfort women'', *Korea.net*, December 29, 2015 <http://www.korea.net/NewsFocus/Policies/view?articleId=131510> accessed January 25 2016

to provide support for the victims. In the meantime, President Park Geun-hye met Kishida and both leaders expressed hope that Korea and Japan would refurbish the diplomatic relations through this agreement. 2015 marks the 50th anniversary of Korea-Japan diplomacy and comfort women constitutes the prickliest issue in the bilateral relations. Besides, President Park had a phone conversation with Japanese Prime Minister Shinzo Abe where Japan reportedly assured that it would carry out the agreement.

President Park Geun-hye attends the G-20 summit in Antalya

South Korean President Park Geun-hye went to Antalya to attend the G-20 summit from November 15-16 where she underscored that structural restructuring is important for inclusive and robust growth. She further called on the leaders to cooperate more and invest in infrastructure across North East Asia including in North Korea. President Park argued that in case North Korea gives up nuclear weapons and decide on a path of openness and cooperation, South Korea will work along with the international community to back infrastructure investment across North East Asia. She proposed setting up a differentiated North East Asian development bank which will cooperate with the ADB and AIIB.⁵¹ Furthermore, President Park and the G-20 leaders deliberated on the ways to further cooperate with lower-income developing nations on several issues, together with food security and implementation of the Action Plan for Nutrition. With regard to Paris Climate Talks, she underscored that South Korea aims to reduce its greenhouse gas emissions by 37 percent by 2030, or by about 850.8 million tons of carbon dioxide equivalents. In addition, it was emphasised that to effectively operationalise the new climate change deal, nations must perceive it as an opportunity to create new growth engines for the future and foster new energy industries.⁵²

President Park Geun-hye attends APEC, ASEAN +3, and East Asia summit

President Park attended the 2015 APEC meeting in Philippines on November 19 where she stressed on innovative strategies to facilitate economic growth across the Asia-Pacific and drew attention to Korea's policy to push innovation. She urged that governments need to help SMEs to join the global value chain, and establish cooperative partnerships with conglomerates. Besides, efforts towards deregulation aimed at increasing the service industry competitiveness was highlighted.⁵³

On November 21, at the 18th ASEAN plus three summit in Kuala Lumpur, President Park articulated the importance of this historic year since the new ASEAN community will infuse "new breath of fresh air to the efforts to further develop ASEAN economies and will, in turn, boost regional cooperation, too." She further outlined three ideas intended to enhance cooperation among the ASEAN+3 countries including strengthening functional cooperation among ASEAN+3, implementing the follow-up action plan struck by the second East Asia Vision Group (EAVG II), and enhancing mutual cooperation between North East Asia and ASEAN.⁵⁴ On November 22, at the 10th East Asia summit (EAS) in Kuala Lumpur, South Korean President Park focused on the security issues related to North Korean nuclear weapons and territorial disputes in the South China Sea. President Park

⁵¹ 'President Park Geun-hye and other G-20 leaders attend the G-20 summit in Antalya, Turkey', *The Republic of Korea Cheong Wa Dae*, on November 2015, http://english1.president.go.kr/activity/headlines.php?srh%5Bboard_no%5D=22&srh%5Bpage%5D=2&srh%5Bview_mode%5D=detail&srh%5Bseq%5D=13032&srh%5Bdetail_no%5D=552#sthash.nPZlPBR.dpuf accessed January 25 2016

⁵² Wi Tack-whan, Sohn JiAe, 'President outlines reforms, creative industries at G20 meeting', *Korea.net* November, 16, 2015 <http://www.korea.net/Special/Foreign-Affairs/view> accessed January 25 2016

⁵³ 'President stresses growth through innovation', *The Republic of Korea Cheong Wa Dae*, November 20, 2015 http://english1.president.go.kr/activity/headlines.php?srh%5Bboard_no%5D=22&srh%5Bpage%5D=2&srh%5Bview_mode%5D=detail&srh%5Bseq%5D=13189&srh%5Bdetail_no%5D=557 accessed January 25 2016

⁵⁴ Wi Tack-whan, Sohn JiAe, 'President calls ASEAN driving force for regional integration', *Korea.net*, November 23, 2015 <http://www.korea.net/Special/Foreign-Affairs/view> accessed January 25 2016

emphasised that South Korea “has a strategic interest in the disputed region as the South China Sea is a key shipping lane through which more than 90 percent of Korea’s energy shipments and 30 percent of its overall exports pass.” Besides, the leaders adopted a joint statement on dealing with violent extremism.⁵⁵

South Korea-China FTA came into effect

On December 20, South Korea-China Free Trade Agreement (FTA) entered into force. The FTA aims to remove tariffs on 92.2 percent of Korean goods that are exported to China, and on 90.7 percent of Chinese products that are sent to Korea over the next 20 years. It is likely to decrease tariffs on Korean exports to China valued at US\$ 8.7 billion yearly, a shift that will lead to steady tariff elimination worth around US\$ 45.8 billion over the next ten years. The Ministry of Trade, Industry and Energy expects that the agreement will lead to an additional 0.96 percent increase in the country’s GDP, bring consumer benefits worth roughly US\$ 14.6 billion and generate more than 53,000 jobs over the next ten years. It is estimated that with this FTA, Korean business will be able to broaden the scope in China’s profitable services market, including legal services, engineering, environment evaluation and entertainment.⁵⁶

South Korea-New Zealand FTA came into effect

South Korea-New Zealand Free Trade Agreement came to force on December 20. The objective is to enhance bilateral trade considerably from the present \$2.85 billion. Reports suggest that eliminated tariffs on manufactured goods will help Korean businesses. Both agreed to eliminate tariffs including 45 percent duty on kiwifruit, 89 percent on butter, 40 percent on beef, 15 percent on wine and up to 11 percent on processed wood products.⁵⁷ South Korea-New Zealand trade volume have improved by 10.4 percent on average over the past five years. The deal has reportedly lowered tariffs on goods two times, first on the day that it came into effect i.e. December 20 and subsequently on new year’s day. New Zealand Trade and Enterprise (NZTE) said that tariffs that New Zealand firms had to pay on their exports to Korea will phase out over the next 15 years. Furthermore tariffs on some imports from New Zealand, including deer antlers and sweet pumpkins may be totally eliminated over time.

Pyongyang published a report relating to South Korea’s human rights

North Korea has issued a report in December with regard to South Korea’s human rights condition, allegedly to counter increasing global pressure over its own human rights abuse. The report claims that there is cruel human rights violations in the South which have triggered anxieties among its citizens along with the international community. The report documents various incidents of human rights abuse and prohibition of pro-North Korea events in South Korea, such as the deportation of Korean-American Shin Eun-mi who is blamed for praising the North. Furthermore, the document refers to other issues together with violation of freedom of speech, the MERS epidemic, widespread unemployment and child abuse. Meanwhile, a high-ranking North Korean envoy went to London earlier in December to lobby against growing stress because of the human rights situation, which comprise of public executions in addition to beatings, torture and starvation. Earlier in November, the U.N. General Assembly’s human rights committee agreed on a resolution accusing North Korea’s dismal human

⁵⁵ ‘President calls ASEAN driving force for regional integration’, *The Republic of Korea Cheong Wa Dae*, November 23, 2015 http://english1.president.go.kr/activity/headlines.php?srh%5Bboard_no%5D=22&srh%5Bpage%5D=2&srh%5Bview_mode%5D=detail&srh%5Bseq%5D=13191&srh%5Bdetail_no%5D=558 accessed January 25 2016

⁵⁶ ‘Korea enacts FTAs with China, New Zealand’, *Korea.net*, Dec 18, 2015 <http://www.korea.net/NewsFocus/Policies/view?articleId=131396> accessed January 25 2016

⁵⁷ ‘Korea-New Zealand FTA to enter force on Dec. 20’, *The Korea Herald*, December 14, 2015 <http://www.koreaherald.com/view.php?ud=20151213000405> accessed January 25 2016

rights record. 112 nations, including South Korea, the U.S., European Union and Japan voted in favour of the resolution.⁵⁸

Developments in Inter-Korea relations

The high-level vice-ministerial meeting talks in December 11-12 between both Koreas failed to generate any agreement on repairing relations. The meeting, hosted at the joint industrial park in Kaesong, was unsuccessful owing to the differences over several pending issues such as the delayed tours to Mount Kumgang and the separated families. No future date for further talks were proposed. South Korean Vice Unification Minister, Hwang Boo-gi reportedly said that North was not prepared to discuss any other concerns without the resolution of the tour programme. This high-level talks were arranged once the two Koreas decided to hold government talks to improve cross-border ties under the August agreement. Conducting high-level meeting was one of the important component of the agreement to ease strain and endorse greater civilian exchanges. While both Koreas had five sessions of talks, North Korean officials stressed that they would discuss inter-Korean family reunions only after Mount Kumgang tourism was specified in the agreement. North blamed the South for the failure of the talks. A state-run website stated that these developments ruined the prospects for enhancement of inter-Korea relations. Furthermore, KCNA reported that the inter-Korea ties became bleaker following the failure of the high-level talks.⁵⁹

North Korea restates its demand for a peace treaty with the U.S.

In December, North Korean Amb. Ja Song-nam has submitted a written communication to the U.N., restating its plea for a peace treaty with the U.S. North Korea maintained that it is demanding a peace treaty in order to end the antagonistic U.S. policy and bring permanent peace and stability in the Korean peninsula. North further argued that the U.S. has failed to make genuine efforts in resolving the issue and responded with a hostile strategy for instance the latest sanctions that the U.S. forced on North Korean strategic rocket force for weapons proliferation. While Pyongyang has intensified their campaign lately for a peace treaty that would substitute the 1953 armistice, the U.S. insisted that the North must put emphasis on denuclearisation.⁶⁰

South Korea's National Assembly approved a 3.6 percent increase in defence budget

On December 3, National Assembly approved a defence budget of KRW38.8 trillion (US\$33.5 billion) for 2016. The Ministry of National Defense indicated that the approved outlay signifies a 3.6 percent upsurge against actual spending in 2015. But the approved expenditure is less than the initial request of KRW40.1 trillion. Furthermore, the accepted defence budget amounts to 10 percent of the entire government expenditure for 2016 and approximately 2.5 percent of GDP.⁶¹ The 2016 budget is expected to fund the proposal to increase the number of military conscripts annually and improve the wellbeing in the garrisons. Moreover, the military plans to improve medical services for recruits by bringing in further medical resources like ambulances and mental health clinics. Soldiers' wages will reportedly be increased.⁶²

⁵⁸ Rachel Lee, 'North Korea publishes report on South Korean human right', *The Korea Times*, December 27, 2015 http://www.koreatimes.co.kr/www/news/nation/2016/04/485_194110.html accessed January 25 2016

⁵⁹ 'North Korea Newsletter No.393', *Yonhap News Agency*, December 17, 2015 <http://english.yonhapnews.co.kr/news/2015/12/16/0200000000AEN20151216006900325.html> accessed January 25 2016

⁶⁰ 'N. Korea sends letter to U.N. to call for peace treaty with U.S.', *Yonhap News Agency*, December 30, 2015 <http://english.yonhapnews.co.kr/news/2015/12/30/0200000000AEN20151230000300315.html> accessed January 25 2016

⁶¹ Jon Grevatt, 'South Korean defence budget falls short of defence ministry's request', *IHS Jane's Defence Weekly*, 3 December 2015 <http://www.janes.com/article/56456/south-korean-defence-budget-falls-short-of-defence-ministry-s-request> accessed January 25 2016

⁶² 'Parliament approves 3.6 pct increase for 2016 defense budget', *Yonhap News Agency*, December 3, 2015 <http://english.yonhapnews.co.kr/national/2015/12/03/0301000000AEN20151203004900315.html> accessed January 25 2016

ACTIVITIES OF THE CENTRE (NOVEMBER-DECEMBER 2015)

- On December 8, Institute for Defence Studies and Analyses (IDSA) and the Taipei Economic and Cultural Centre (TECC), New Delhi organised a joint seminar on Perspectives in India-Taiwan Relations in Asia and Beyond: The Future.
- Claude Arpi delivered a talk on Infrastructure and other Developments in Tibetan Plateau on December 14.
- Michael Pillsbury interacted with IDSA scholars on November 19 on the subject of his book, The Hundred Year Marathon.
- IDSA-CICIR annual bilateral dialogue was hosted on November 20.

We appreciate the support from Center Coordinator Dr. Jagannath P. Panda

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