

Japanese waters, China is enhancing its bases of activities in the Spratly and Paracel Islands over which it has territorial disputes with ASEAN countries and others. And finally, it appears that China is interested in the direction of the Indian Sea, a shipping route of crude oil from Middle East.

China stipulates, in laws and others, that its naval force plays a role of safeguarding maritime rights and interests and protecting maritime safety. Also, by generally taking into account geographic conditions of China and other conditions including globalizing economy, objectives of Chinese naval activities are considered to be as follows.

The first objective is to intercept naval operations by enemies as far as possible to defend Chinese territory and territorial waters. Behind this, there is increased effectiveness of attacks at long ranges, thanks to recent progress in science and technologies.

The second objective is to develop military capacity to deter and discourage independence of Taiwan. China maintains that it does not allow any foreign intervention in solving the Taiwan issue and realizing unification of China. If it aims to hold back by force foreign intervention into Taiwan which is surrounded by the sea in all four directions, China needs to enhance its naval capabilities.

The third objective is to acquire, maintain and protect maritime rights and interests. China has embarked on projects of exploring and drilling oil and gas fields and building associated facilities in the East China Sea and the South China Sea. A part of the projects include building of drilling facilities in the oil and gas field with its geological structure running to the eastern side of the intermediate line between Japan and China. It is believed that China aimed for appealing capabilities of its naval force to acquire, maintain and protect maritime rights and interests when the aforementioned Chinese naval vessels navigated near the drilling facilities last September.

The fourth objective is to defend sea lanes of China, a lifeline for Chinese economy that has increasingly globalized. How far the Chinese Navy should protect sea lanes by itself in the future depends on international situations at the time, however, given recent modernization of air and sea power of China, reach of its capabilities appears to be expanding beyond Chinese home waters.

Maritime activities by China are considered to have aforementioned objectives. Attention should be paid to the trends in stepped-up maritime activities by China including operations of naval vessels and oceanographic research activities near Japan in particular.



Chinese naval vessel navigating the sea near the Kashi gas field

(3) Military Capacity of Taiwan

Since January 2004, Taiwan has been implementing a new downsizing program, the "Jingjing Program" to manage national defense resources more efficiently, reduce the total number of military personnel, to promote the restructuring of armed forces, and to shift to a voluntary service system. According to the program, the number of military personnel will be reduced to 275,000 by the end of 2008. At the same time, the Taiwanese armed forces attribute importance to the introduction of advanced technologies and improvement of joint operational capabilities. Furthermore, Taiwan has announced its policy to increase a ratio of the national defense budget to its GDP to 3% which was at approximately 2.4 % in FY 2005.

At present, Taiwan has 41 brigades of army forces and two brigades of landing forces with a total of approximately 215,000 personnel, in addition to which, about 1,650,000 reserves of air, sea and ground forces

in total are believed to be available for mobilization. As to naval capabilities, Kidd-class destroyers imported from the U.S. are entering service, and relatively modern frigates are in possession. As to air capabilities, import of F-16 fighters and Mirage 2000 fighters, and domestic production of F-CK-1 fighters have already been completed.

As mentioned earlier, since Chinese military forces are enhancing missile forces and naval and air power, the Taiwanese armed forces have thought that modernization of their equipment still remains an issue. The Executive Yuan of Taiwan formulated a draft budget in June 2004, to purchase from the US, 8 diesel submarines, 12 patrol planes (P-3C) and PAC-3, a new model of Patriot Missile System, however, as of this moment, there are no clear prospects for budgetary steps to be approved by the Legislative Yuan.

With regard to the military capabilities of China and Taiwan, various factors, other than a simple quantitative comparison, should be taken into account. General characteristics can be summarized as follows:

- i) Concerning ground forces, China outnumbered Taiwan, but Chinese capabilities for an airborne or seaborne attack against the Taiwan mainland are limited;
- ii) Concerning naval and air forces, China outnumbered Taiwan in terms of quantity, but Taiwan has qualitative superiority; and
- iii) Concerning missile attack capabilities, China possesses short-range ballistic missiles whose range covers Taiwan.

In any case, the comparison of military capabilities should take account of various elements, such as an operational posture, proficiency of military personnel and logistics, as well as force level and capabilities and quantity of weapons. From such a perspective, attention should be paid to modernization of both Chinese and Taiwanese military and sales of weapons by the United States to Taiwan. Especially, China is rapidly modernizing its military forces, which may trigger major changes in the Taiwan's qualitative superiority in military balance between China and Taiwan in the near future.

4. Russia

1) General

After the collapse of the Soviet Union, Russia fell into a state of confusion and chaos, despite the great hopes of its citizens. Under these circumstances, President Vladimir Putin's policy is supported by the Russian people; Putin had insisted that only a strong nation would bring order and stability to the country. President Putin has been conducting active summit diplomacy with other countries, through which he pursues Russian national interests with liberty, prosperity, affluence, strength, and civilization as the national objectives.

At the inauguration ceremony making the start of his second term, President Putin made clear his emphasis on domes-

tic policy, and he has pressed ahead with social reforms. He has at the same time moved to rebuild a centralized structure by abolishing a direct electoral system of regional governors. The Russian economy remains in good shape thanks to a rise in the international market price of crude oil, its major export since 1999.⁹⁷ However, it depends on the export of energy resources and the living standards of Russians are not high enough, it is therefore implementing economic structural reforms and other policies to solve these problems.

2) National Defense Policy

a. Security and Defense Policies

Russia revised⁹⁸ its "National Security Concept of the Russian Federation" in January 2000. The Concept recognizes that two exclusive trends exist in the current international situation: the trend toward the multipolar world made by countries including Russia and the trend toward the world dominated by the Western countries. On the other hand, Russia claims to be one of the major powers in the international society and its national interests, including military ones such as independence, the protection of sovereignty and territory, can be realized only with stable economic development as a foundation. As internal and external threats against its national interests, it lists international terrorism, a movement to decrease the role of the U.N., the eastward expansion of the North Atlantic Treaty Organization (NATO),⁹⁹ and so on.¹⁰⁰ Those factors, together with an increase of weapons with high technology in the Western countries, have weakened Russia's national security. From this perspective, Russia will take measures to prevent invasions of any scale and to this end, will continue to maintain nuclear forces.

Based on the Concept, the Military Doctrine of the Russian Federation was stipulated in April 2000 as the basic philosophy underlying Russian national defense policies. The Doctrine states that potential threats remain or are growing both at home and abroad and in some areas these latent threats are growing despite the decreased possibility of large-scale wars and the reduced threat of a direct invasion. Based on this viewpoint, it states that the objectives of national defense should be to deter aggression, to prevent a war and an armed conflict, and to secure international security and world peace. With regard to nuclear weapons, the Doctrine also states that Russia reserves the right to use nuclear weapons not only when nuclear or other weapons of mass destruction are used against it, but also in retaliatory attacks in response to a large-scale invasion with the use of conventional weapons. After a theater in Moscow was occupied by armed Chechen militants in 2002, there was an increasing tendency in the whole country towards reviewing its security posture, and President Putin ordered the minister for defense and others to revise the new national security concept. The revised concept, however, has not been announced at the end of June, 2006.

"The Priority Tasks of the Development of the Armed Forces of the Russian Federation" was published in 2003 to embody the aforementioned "Concept" and "Doctrine". On the use of armed forces, the report says that there is no plan to proactively take counter-terrorism measures but it points out the possibility of using armed forces not only for national defense but also for other purposes, such as implementation of various peacetime operations.¹⁰¹ In addition, the importance of inter-theater mobility of permanent combat-ready troops¹⁰² is also pointed out given the vastness of the Russian territory.

In May 2006 President Putin announced in his state of the union address that Russia will make effort to retain and reinforce reliable nuclear forces, and will promote restructuring of its military.

b. The Chechen Issue

Since the invasion of armed groups of Chechen rebels into the Republic of Dagestan in 1999, Russia has dispatched troops against them (the Second Chechen War). In April 2002, President Putin announced in his state of the union address that the military stage had already ended. However, military actions by Russian

forces continued thereafter.

In the midst of this conflict, there were frequent terrorist attacks by armed groups, including the occupation of a Moscow theater in October 2002 and the takeover of a school in the Republic of North Ossetia in September 2004. President Putin has enhanced mop-up operations against armed groups and has been promoting antiterrorism operations with Commonwealth of Independent States (CIS) and NATO countries. In addition, new antiterrorism law was enacted in March 2006 to effectively promote counter-terrorism policy.

In the Chechen Republic, a draft of the Republican Constitution for political stability was approved in 2003 and a parliamentary election was held in 2005. The federal government has been implementing measures to stabilize Chechen. Also, Russia has reduced its forces stationed in the Chechen Republic, and no large-scale armed conflicts have occurred recently. However, it is too early to say that the armed Chechen rebels have been completely eliminated, and it is difficult to tell what it will be in the future.

c. Military Reform in Russia

In Russia the overall restructuring of its armed forces after the collapse of the Soviet Union had been delayed. In 1997 and 2001, however, presidential decrees were signed to reduce the number of soldiers, to integrate services, to modernize military forces, including the development and introduction of new equipment, and to improve combat readiness. Some progress in terms of structural reform has been seen. As the organization shifted to three services and three independent corps,¹⁰³ the Main Department of the Ground Force at the Joint Chiefs of Staff was abolished and the Ground Force's General Headquarters was reestablished,¹⁰⁴ the Air Force and Air Defense Force were integrated, control over the air wing of the Ground Force was transferred to the Air Force,¹⁰⁵ and military districts were integrated. These restructuring efforts have almost been completed. For military personnel, Russia has almost ended its reduction plan and no further large-scale reduction is planned for the future.¹⁰⁶ At the same time, Russia is implementing measures toward the introduction of a contract-based service, under which soldiers are recruited not by conscription but by contract, in order to recruit more qualified personnel and establish highly trained armed forces. Furthermore, the defense budget has been showing an upward trend in recent years, and the defense budget for this fiscal year has increased approximately 25% in nominal terms over the previous year, and the modernization of military equipment has been continued. In order to deal with both internal and external threats, Russia will further make efforts to improve the efficiency of its military forces, to modernize them, and to enhance their combat readiness.

3) External Relations

a. Relations with the United States

The relationship between Russia and the United States has been improved in various fields through cooperation in fight against terrorism and other measures.¹⁰⁷

The United States, which has been developing its ballistic missile defense program, withdrew from the Anti-Ballistic Missile (ABM) Treaty in June 2002. Russia criticized the United States' decision, however, did not regard it as a threat to Russia's security.

The United States and Russia signed the Strategic Offensive Reductions Treaty (the Moscow Treaty) on May 24, 2002, which went into effect in June 2003. The Treaty requires them to reduce the number of nuclear warheads to between 1,700 and 2,200 by December 31, 2012, and also provides that each country shall independently determine the composition and structure of their nuclear forces within its limits.

The United States, meanwhile, started to show concerns about the Russia's domestic movements.¹⁰⁸

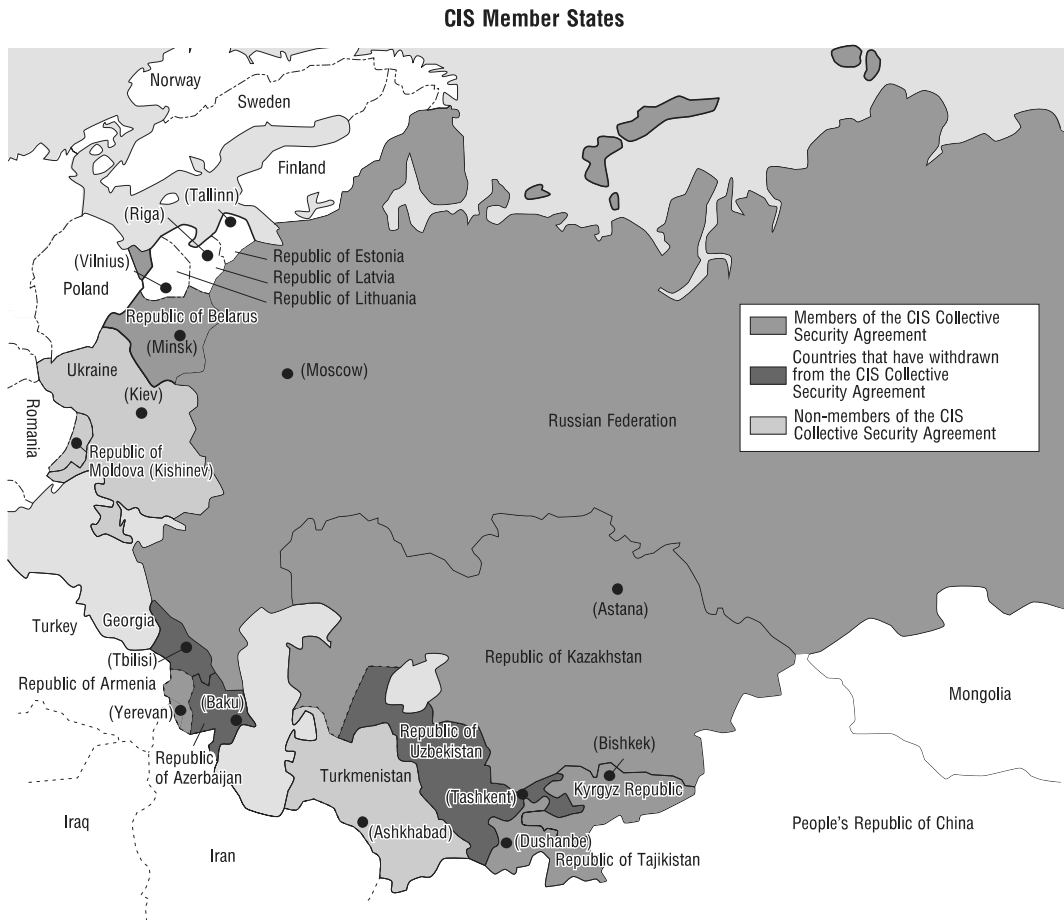


Fig. 1-2-13

b. Relations with the Commonwealth of Independent States (CIS)

Russia promotes military integration with CIS member countries, claiming that its vital interests are concentrated in the territories of the CIS. To this end, Russia has dispatched its federal forces to stay in Ukraine, Georgia, Moldova, Armenia, Tajikistan and Kyrgyz and dispatched CIS peace-keeping forces led by Russian troops to Moldova and Georgia. It also concluded establishment of the unified air defense system treaties or joint border security treaties with CIS member countries.¹⁰⁹

With increasing activities by Islamic armed groups in Central Asia/Caucasia, Russia is pursuing military cooperation to fight against terrorism in the region, and organized a Collective Rapid Deployment Force¹¹⁰ in May 2001 within the framework of the CIS Collective Security Treaty Organization. Since the U.S. and other military forces launched the military campaign in Afghanistan following the 9-11 terrorist attacks in September 2001 in the United States, Russia has not opposed the U.S. assistance to Uzbekistan, Kyrgyz, Tajikistan, and Georgia or the U.S. military presence in these countries. On the other hand, Russia established an air force base in Kyrgyz to enhance the CIS Collective Rapid Deployment Force in 2003.¹¹¹ Russia also had a division (of approximately 8,000 personnel) stationed in Tajikistan, and afterward made an

agreement with Tajikistan in October 2004 to secure a Russian military base in Tajikistan.

In the meantime, Georgia and Ukraine, both of which have new administrations that took office in 2003-2004, are aiming to strengthen their relations with Europe and the United States for their future accession to NATO, even as they emphasize relations with Russia. In May 2005, Russia and Georgia decided through negotiations that Russian military bases located in Georgian territory should be closed in 2008. For Ukraine, on the other hand, if the Russian Black Sea Fleet continues to stay in Ukraine, it may be a barrier to its future NATO membership.

c. Relations with NATO

Russia, as a rule, has been against the accession to NATO of the former USSR countries and the countries of Central and Eastern Europe. However, it took steps to build a new cooperative relationship with NATO especially after the 9-11 terrorist attacks in the United States, and a NATO-Russia Council was established as a mechanism to pursue joint activities in May 2002. Within the framework of this Council, Russia will participate in its decision making to a certain extent and act as an equal partner in the fields of common interest.¹¹²

d. Relations with Asian Countries

Russia is implementing a pipeline project to transport Siberian oil to the Far East and developing natural gas fields in Sakhalin. To develop these underground resources and revitalize its regional economy and social infrastructure, it is important for Russia to enhance economic relations with Asia-Pacific countries including Japan and China. To this end, Russia emphasizes the relations with them in its foreign policies and has joined the Asia-Pacific Economic Cooperation (APEC), the ASEAN Regional Forum (ARF), and the Shanghai Cooperation Organization (SCO). Also, Russia signed the Treaty of Amity and Cooperation in Southeast Asia (TAC) in 2004.¹¹³ President Putin has been actively engaged in summit diplomacy with Asian countries, for example he has been maintaining close relationship with China and India by continuing to make annual reciprocal top-level visits. Furthermore, due to the fact that regional peace and stability mean much to its national interests, Russia intends proactively to get involved in the solution of regional problems, such as those concerning the Korean Peninsula.¹¹⁴

e. Exportation of Arms

Recently, the amount of arms exported from Russia has increased considerably. The Doctrine states that such exports are promoted not only to maintain the infrastructure of the armaments industry and make a profit, but also to contribute to foreign policy by ensuring Russia's political influence. The Doctrine includes the defense industry into the nation's military organization.

Russia has exported jet fighters and warships to countries including China, India, and ASEAN member countries.¹¹⁵ In addition, Russia signed agreements on military technology cooperation with North Korea and Iran in 2001. The international community is concerned about the possibility of an outflow of materials and technologies related to weapons of mass destruction, such as nuclear weapons as well as personnel having knowledge and technology that are related to these weapons from former Soviet countries.

4) Military Posture

a. Nuclear Forces

Russia seems to have gradually reduced the number of its strategic nuclear missiles, and it also seems that building of its new fleet of Ballistic Missile Submarine Nuclear-Powered (SSBN) has fallen behind schedule. However, Russia still maintains intercontinental ballistic missiles (ICBM) and submarine-launched

ballistic missiles (SLBM) second only to the United States in scale. Although Russia totally abolished SS-24 missiles, which were only railway-mobile ICBMs, by the end of last year, it decided to prolong the lifetime of its old-type ICBMs. While the aging of its nuclear missiles has been pointed out, Russia has begun to accelerate the development and introduction of new weapons, completed the test of a new mobile-type Topol-M ICBM, and announced that it plans to deploy these ICBMs in the near future. Russia has also made it clear that the new-type Bulava submarine-launched ballistic missile (SLBM) will be deployed from 2007.

Pursuant to the aforementioned Moscow Treaty, Russia and the United States will reduce the number of their nuclear warheads to between 1,700 and 2,200 by December 31, 2012. The treaty raises international attention regarding whether the future disposal of nuclear weapons, including cost issues, will proceed smoothly.¹¹⁶ On the other hand, after the United States withdrew from the ABM treaty, Russia declared the second Strategic Arms Reduction Treaty (START II) nullified, and said that it would take countermeasures such as suspension of the disposal of multiple nuclear warhead missiles.

As for non-strategic nuclear forces, Russia had scrapped surface-launched short- and intermediate-range missiles with a range of between 500 and 5,500 km by 1991 in accordance with the Intermediate-range Nuclear Forces (INF) Treaty, and had removed tactical nuclear weapons deployed aboard naval vessels and stored them in onshore missile silos in the following year. Russia, however, still possesses a broad array of nuclear forces.

Russia has been promoting modernization of its conventional forces. However, it has not progressed as planned. Given this, and as is indicated by the detailed description of the use of nuclear weapons in the Concept and the Doctrine, it is said that Russia emphasizes the importance of nuclear forces to make up for deficiencies in its conventional forces, and is making efforts to maintain the readiness of nuclear forces.

b. Conventional Forces, etc.

Since 1990, Russian conventional forces have been reduced in size, but on the other hand, it seems that Russia is concentrating its limited resources on specific units to maintain their combat readiness.¹¹⁷

However, many problems remain, including the bad living environments of soldiers, lax military discipline, and difficulties in securing military personnel due to broad-ranging deferments and exemptions from military service. It would thus appear difficult for Russia to maintain the same level of military activities as it was in the Soviet era.¹¹⁸

The future of Russian forces is unclear due to the opacity of both the political and economic conditions in the country, and it is necessary to continue monitoring the progress of military reform of Russian forces. It is, however, unlikely in the foreseeable future that the size and posture of Russian forces would return to their status during the Cold War era.

5) Russian Forces in the Far East Region

a. General Overview

The present scale of the Russian military forces in the Far East region is much smaller than its peak. However, Russia deploys ground forces of about 90,000,¹¹⁹ approximately 270 warships, and roughly 630 combat aircrafts in the Far East Region, and a considerable scale of military forces including nuclear forces still remains in the region. Training operations, after reaching bottom, have been slightly increasing in recent years. Since 2003, in the Far East region, Russia has conducted "Vostok 2003" and "Vostok 2005," both of which are large-scale counterterrorism exercises, and "Mobility 2004," which is an exercise for its permanent combat-ready troops to deploy from the western part of Russia to the Far East region.

Because the number of troops has been reduced due to military reforms, the ratio of personnel supply in each unit is believed to have increased. However, only strategic nuclear units and permanent combat-ready

Russian Military Deployment in Areas Close to Japan

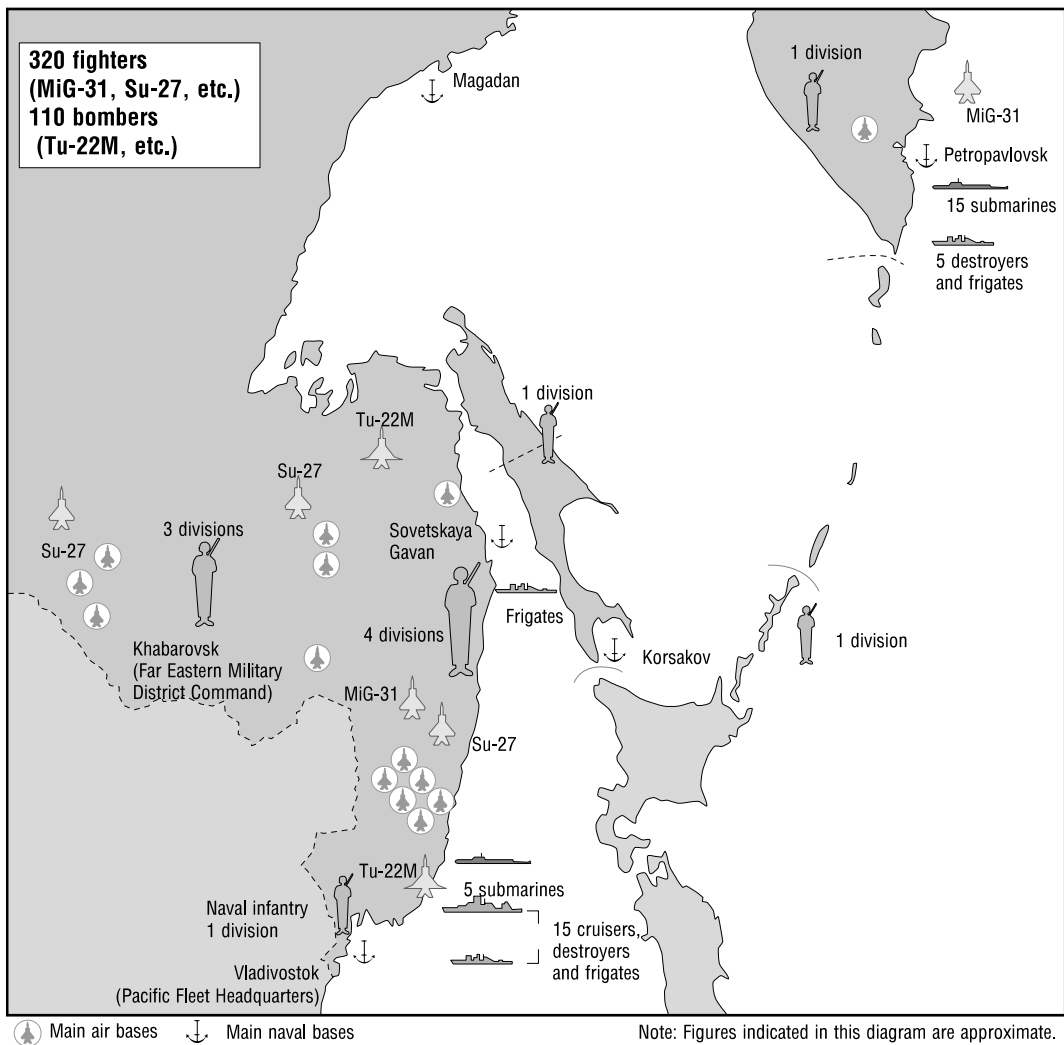
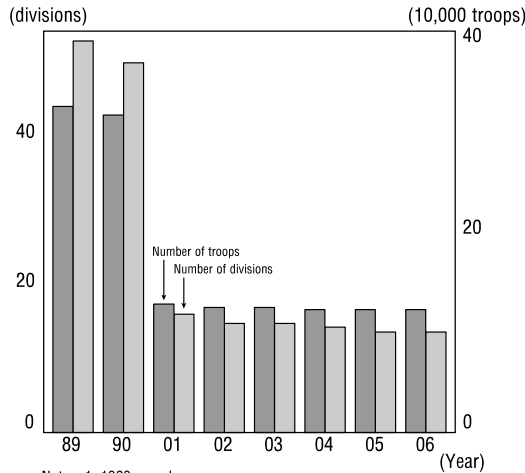


Fig. 1-2-14

troops maintain a state of readiness, and the readiness of troops in general looks to be under improvement now.

For the future of the Russian forces in the Far East region, it is necessary to continue to monitor the trend of Russian forces as well as what they will be in the future. Because, as a whole, they tend to focus on dealing with conflicts by inter-theater mobility of its combat-ready troops, and political and economic conditions in the country still remain quite uncertain. It is, however, unlikely in the foreseeable future that the scale and posture of the Russian forces in the Far East region will return to what they were during the Cold War era. Contexts for this argument are as follows: military detente with the United States has made it less necessary for Russia to emphasize its military presence in the Pacific, and a reduction of military tension with China has reduced the need for vigilance against the country.

Changes in the Russian Ground Forces in the Far East Region



Notes: 1. 1989 = peak year
 2. Far Eastern region of the former Soviet Union until 1992.
 (The same holds for the diagrams below.)
 3. 1989 and 1990 include Russian troops in Mongolia

Fig. 1-2-15

Changes in the Russian Naval Forces in the Far East Region

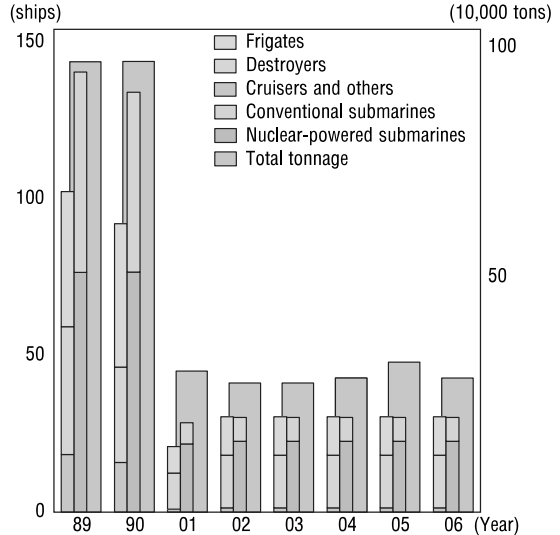


Fig. 1-2-16

Changes in the Russian Air Forces in the Far East Region (Fighters)

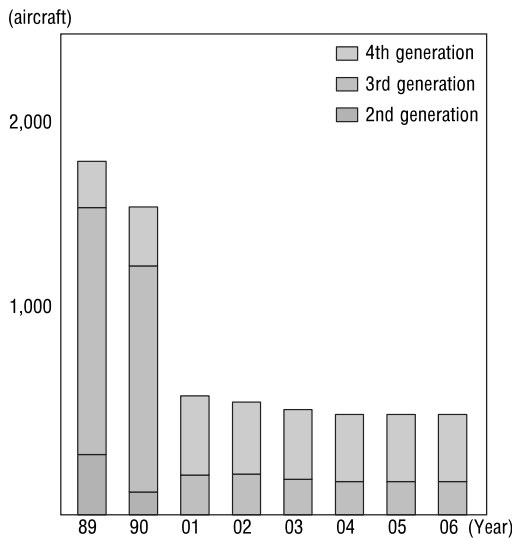


Fig. 1-2-17

Changes in the Russian Air Forces of in the Far East Region (Bombers)

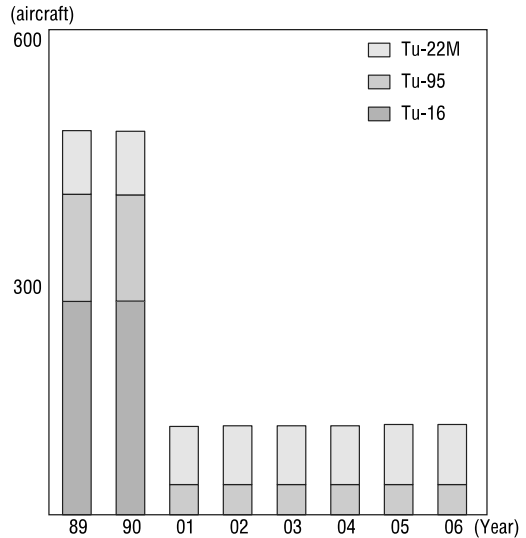


Fig. 1-2-18

(a) Nuclear Forces

As for strategic nuclear forces in the Far East region, ICBMs, such as SS-25s and Tu-95MS Bear strategic bombers are deployed along the Trans-Siberian railway, and SSBNs, such as the Delta III-class nuclear submarine carrying SLBMs, and others are deployed in and around the Sea of Okhotsk. The readiness of these strategic nuclear forces appears to have been generally maintained. The effects the Moscow Treaty, which was signed between the United States and Russia in 2002, will have on strategic nuclear forces in the Far East region should be followed.

As for non-strategic nuclear capabilities, Russian forces in the Far East Region have a variety of weapons, including medium-range bombers such as Tu-22M Backfires and sea (undersea)- and air-launched cruise missiles. A total of approximately 70 Backfires are deployed in the west of Lake Baikal and the coastal areas including the area across from Sakhalin.

(b) Ground Force

Ground force in the Far East region has continuously shrunk since 1990 and is current made up of 15 divisions of approximately 9 personnel¹²⁰.

Also the Pacific Fleet has a naval infantry division with an amphibious capability. Although the number of amphibious assault landing ships has decreased, the decline seems to have halted.

(c) Naval Force

The Pacific Fleet is deployed from its main base in Vladivostok and Petropavlovsk and comprises approximately 270 with a total displacement in the region of about 650,000 tons, including about 20 major surface ships and about 20 submarines (about 15 of which are nuclear-powered submarines) with a displacement of approximately 280,000 tons. These forces have been scaled down since 1990.

(d) Air Force

Russia deploys approximately 630 combat aircrafts of Russian air and naval forces in the Far East region. This represents a drastic fall from its peak, but existing models are being modified to improve their capabilities.

b. Russian Forces in Japan's Northern Territories

Since 1978 under the regime of the former Soviet Union, Russia has been redeploying ground troops on the Kunashiri, Etorofu, and Shikotan Islands of Japan's Northern Territories, which are illegally occupied by Russia though they are integral part of Japanese territory. Although the number of military personnel in this region has tended to decline, and is currently considered to be much less than at its peak, tanks, armored vehicles, various types of artillery, and anti-air missiles are nevertheless still deployed. With regard to ground forces in this region, the then President Yeltsin officially announced during his visit to Japan in 1993 that half of the troops stationed on the four islands had already been withdrawn and the remaining half, with the exception of the national boarder guard, would also be pulled out. In the late 1990s, Russia repeatedly stated at various official meetings between Japan and Russia that the number of Russian troops stationed in this region had been reduced. The number of Russian military personnel stationed in this region in 1991 was approximately 9,500, but at the Japan-Russia defense summit meeting held in 1997, the then Russian Defense Minister Rodionov made it clear that the troops stationed in the Northern Territories had been reduced to 3,500 soldiers by 1995. In July 2005, however, when present Russian Defense Minister Ivanov visited the Northern Territories, he declared that Russia would not either increase or decrease the troops stationed on the four islands, clearly showing the intention to keep the status quo.

As mentioned above, Russian troops continue to be stationed in the Northern Territories, which are integral part of Japanese territory, and it is hoped that the issue will be resolved at an early date.

c. Operations in the Vicinity of Japan

Although Russian military operations have remained generally quiet in the vicinity of Japan, including exercises and training, there are now signs that such operations have started up again.

The number of exercises carried out by the Russian ground force in areas adjacent to Japan decreased

sharply compared with what it was at its peak, but some seemed to have been reactivated.

With regard to warships, naval training and other exercises seem to have started up again. For example, long sea training by submarines and surface ships was conducted for the first time in several years, and nuclear submarines resumed their patrols.

Flights close to Japan's territorial airspace, air exercises, and training seem to have decreased to the lowest level.

5. Southeast Asia

1) General

Southeast Asia is encompassed by the Straits of Malacca, the South China Sea, and the waters around Indonesia and the Philippines, thus occupying a key strategic position for traffic by linking the Pacific and Indian Oceans. The countries of this region have worked to achieve political stability and sound economic progress while striving to deepen relations of interdependence with other countries both inside and outside the region. This region, however, has unstable factors, including the territorial dispute over the Spratly Islands, minority ethnic issues, separatist and independent movements, and Islamic extremist groups. Also, there took place incidents in which the safe passage of ships was menaced by piracy. In response to these situations, the countries in the region are trying to build sufficient military capabilities to deal with their security issues, including antiterrorism measures and vigilance against pirates and armed robbers on the water. Also, they have been improving their naval forces by such measures as introducing new warships and modernizing their equipment, including the introduction of new-type fighters.¹²¹

In the region, multinational cooperation has been promoted in order to deal with cross-border problems as represented by terrorism and piracy. ASEAN countries have been continuously discussing terrorism at various occasions, and for example at the ASEAN Regional Forum (ARF) Ministerial Meeting in July 2005, the ministers adopted the ARF Statement on Information Sharing and Intelligence Exchange and Document Integrity and Security in Enhancing Cooperation to Combat Terrorism and Other Transnational Crimes. Also, in July 2004, Malaysia, Indonesia, and Singapore started the Trilateral Coordinated Patrols for vigilance against terrorism and armed robbery in the Straits of Malacca. For the patrols, the naval forces of the three countries patrol their own territories while exchanging information. Subsequently in September 2005, the countries launched airborne patrols codenamed "Eyes in the Sky."

Since September 2004, Malaysia, Singapore, the United Kingdom, Australia, and New Zealand have conducted antiterrorism exercises on the sea within the framework of the Five Powers Defense Agreement (FPDA). In addition, the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP),¹²² which was proposed and promoted by Japan, was adopted in November 2004. Ten signatories, including Japan, have submitted their instruments of ratification to the depositary in June 2006, which enables the agreement to enter into force in this coming September. The ReCAAP Information Sharing Centre is supposed to be established in Singapore based on the agreement. It is expected that cooperation among the countries concerned will be enhanced under the agreement.

2) Developments in ASEAN

With the formal admission of Cambodia to ASEAN in 1999, the number of ASEAN countries increased to 10, thus realizing "ASEAN 10." In recent years, ASEAN member countries have been strengthening mutual cooperation in various fields including the enhancement of regional peace and stability as well as economic and trade issues. At the same time, they are emphasizing relations with other countries, including Japan, China, and ROK¹²³ Japan, which is the oldest ASEAN partner, hosted the ASEAN-Japan Commemorative

Military Powers in Southeast Asia (approximate)

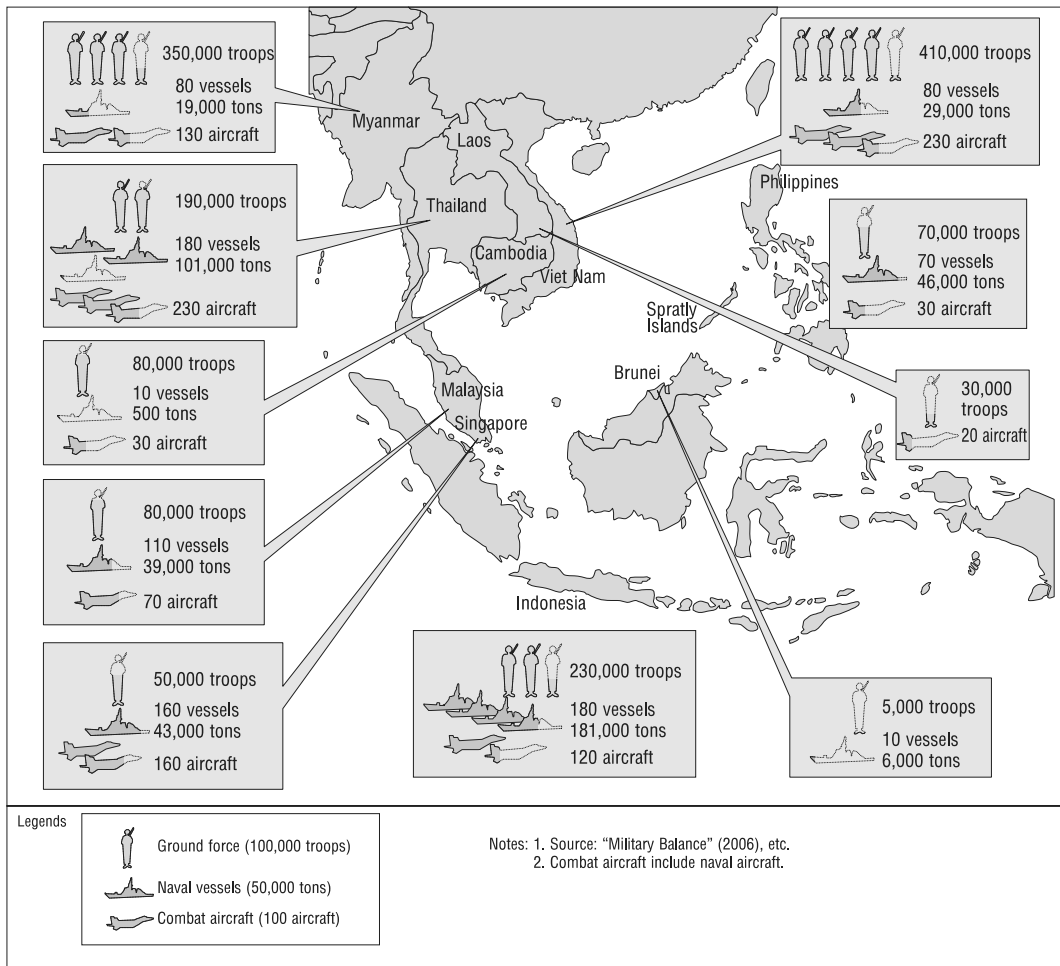


Fig. 1-2-19

Summit in Tokyo in December 2003, and adopted the Tokyo Declaration, which has become the new guidelines for Japan-ASEAN relations, and the Plan of Action, which indicates concrete activities and projects to implement the declaration. Subsequently in November 2004, the ASEAN-Japan Joint Declaration for Cooperation in the Fight against International Terrorism¹²⁴ was made. In December 2005, Japan and ASEAN made a joint statement to reconfirm their determination to deepen and expand the Strategic Partnership.

As ASEAN deepened relations between its members and with non-ASEAN countries, discussions on the future establishment of an East Asian community¹²⁵ were heated, leading to the organization of the first East Asia Summit (EAS) in Kuala Lumpur in December 2005. In the Kuala Lumpur Declaration on the East Asia Summit, which was made at the Summit attended by the leaders of 16 countries, i.e. ASEAN member countries, Japan, China, ROK, India, Australia, and New Zealand, the leaders shared the view that the EAS could play a significant role in community building in the region¹²⁶ and stated that they would foster strategic dialogue on political and security issues and promote financial stability, energy security, economic integration, and growth narrowing the development gap in East Asia.

3) Cooperation in Security Issues

Many Southeast Asian countries have conducted FPDA-based joint exercises and Southeast Asia-Oceania joint exercises. In addition, they have built cooperative relations in security with the United States.

The United States regards Singapore as a Major Security Cooperation Partner. In July 2005, the two nations signed the Strategic Framework Agreement between the United States of America and the Republic of Singapore for a Closer Cooperation Partnership in Defense and Security, in order to expand the scope of cooperation in areas such as counter-terrorism, counter-proliferation of weapons of mass destruction, defense technology, joint military exercises and training, and policy dialogues.

The Philippines and the United States resumed their large-scale joint military exercise "Balikatan" in 2000. The two nations conducted "Balikatan 06" in February 2006 and some of the US marines who were to participate in the exercise were dispatched to Leyte, where devastating landslides took place immediately before the start of the exercise, for disaster relief activities.

Thailand and the United States started to hold a large-scale bilateral military exercise "Cobra Gold" in 1982. This exercise has become multinational since 2000. Japan's SDF participated in "Cobra Gold 06", which was held in May 2006, following its first participation in the exercise in May 2005. In "Cobra Gold 06", Peacekeeping Operations (PKO) were focused on.¹²⁷ In 2003, the United States granted Major Non-NATO ALLY¹²⁸ status to the Philippines and Thailand.

For Indonesia, in response to Sumatra Earthquake and subsequent tsunami in the Indian Ocean, the United States dispatched USS Abraham Lincoln Carrier Strike Group to the devastated area, and played a key role in the relief activities conducted by many countries, in cooperation with the Indonesian Armed Forces. Also, in February 2005, the United States expressed its intention to resume the International Military Education and Training (IMET) program for Indonesia,¹²⁹ which had been suspended since 1992. Subsequently in November 2005, the United States decided to resume the exportation of weapons to Indonesia.

For Vietnam, Vietnamese Prime Minister at the time Phan Van Khai visited the United States in June 2005 and agreed with US President George W. Bush to develop the bilateral relations to a new phase. In addition, the leaders concluded an IMET agreement. The prime minister's visit thus led to a great progress in military cooperation between the two countries.

In June 2006, US Defense Secretary Donald Rumsfeld visited Vietnam and agreed with Vietnamese Defense Minister at the time Pham Van Tra to expand military exchanges between the two countries.

Since 2000, the Multinational Planning and Augmentation Team (MPAT) program organized by the U.S. Pacific Command, in which Southeast Asian nations, the United Nations and other international organizations participate, has been conducted. This program is designed to prepare for contingencies such as large-scale disasters where many countries would dispatch their troops for rescue operations. The purpose of the program is to promote personnel exchanges and discussions on standard operating procedure in advance among those who are expected to be dispatched. It is said that lessons learned from the MPAT program contributed to the relief activities following Sumatra Earthquake and subsequent tsunami in the Indian Ocean.

4) Spratly Islands

The Spratly Islands are located in the central part of the South China Sea and comprise some 100 islets and reefs. Undersea resources such as oil and natural gas are thought to exist in areas around the islands, besides abundant fishery resources. The islands also occupy an important strategic position for maritime traffic. At present, China, Taiwan, and Vietnam are laying territorial claim to the whole of the Spratly Islands, and the Philippines, Malaysia, and Brunei are claiming part of them. In 1988, the Chinese and Vietnamese navies met in an armed clash over rights to the Spratly Islands. Although the clash temporarily raised tensions, there have been no major military clashes since then. Chinese actions, however, such as the enactment of the Territorial Waters Law in 1992, the building of structures on Mischief Reef in 1995, and the extension of work on the buildings on Mischief Reef have drawn strong opposition from the countries involved. Also, there are many differences in opinions among ASEAN member countries, as exemplified by the Philippines' protest in 1999 against Malaysia building new structures on two reefs of the islands.

China had previously insisted on bilateral negotiations on this issue, but recently, there have been signs of an impetus to find a peaceful solution to the dispute among all of the countries involved. The ARF Ministerial Meeting each year has adopted a chairman's statement to the effect that it welcomes efforts by all sides to find a peaceful solution to the problem, and ASEAN member countries drafted the Regional Code of Conduct in the South China Sea that includes prohibition of any new occupation of uninhabited features in the sea.¹³⁰ On the other hand, at the ASEAN-China Summit Meeting held in November 2002, ASEAN member countries and China signed the Declaration on the Conduct of Parties in the South China Sea,¹³¹ which aims for a peaceful settlement of the territorial issues of the South China Sea through dialogue.

Recently, China has aggressively proposed to the related countries that they give priority to the development of resources in the sea areas surrounding the Spratly Islands, apart from the territorial issue. For example, in September 2004, China agreed with the Philippines on the joint oil field survey in the sea areas, and in March 2005, China, the Philippines, and Vietnam reached an agreement on the launch of joint survey on oil and natural gas in the South China Sea. Furthermore, ASEAN and China agreed to establish a joint working group on resources development in the South China Sea and the agreement was approved by the ASEAN Foreign Ministers' Meeting held in July 2005. The countries concerned, however, still have conflicting opinions regarding the territorial rights over the South China Sea including the Spratly islands, and attention must be given to the actions of the countries involved and the developments in consultations to resolve the issue.

6. South Asia

(1) India

1) General

India is surrounded by many countries and has coastlines totaling 7,600 km. The country has the world's second largest population of more than one billion following China and has great influence in the South Asian region. Also, it has a geographical position that is significant in maritime traffic, connecting the Asia-Pacific region with the Middle East and Europe. In particular, Andaman and Nicobar Islands located at the east end of the country are in the proximity of the Straits of Malacca, and India is greatly expected to play an important role in maritime security.

India has multiple races, religions, languages, and cultures within it, but it has an administration elected through free and fair elections under the multi-party system and is the world's largest democratic nation.¹³² Also, India shares a lot with major developed countries including Japan in terms of fundamental values and systems, such as liberalism, democracy, and market economy.