

Section 5 Southeast Asia

1 General Situation

Southeast Asia occupies a strategic position for traffic linking the Pacific and the Indian Oceans, such as the Straits of Malacca, the South China Sea, and is an important region for Japan. The countries in Southeast Asia are making efforts to achieve political stability and steady economic growth, and lately have realized overall economic development to varying degrees. Such economic development has deepened interdependence within and outside the region. However, this region still has destabilizing factors, including the territorial disputes over the South China Sea, ethnic minority issues, separatist and independence movements, and Islamic extremist groups. Moreover, there are incidents such as piracy by which the safe passage of ships is obstructed. In order to cope with these issues, the countries in Southeast Asia are working to build sufficient military forces not only for traditional national defense and maintenance of domestic public security but also for addressing new security issues such as counter-terrorism and counter-piracy. In recent years, against the backdrop of economic development, they have been modernizing their military forces, particularly their naval and air forces.

See ► Fig. I-1-5-1 (Comparison of Forces Strength and Defense Budget between Southeast Asia and Japan/China/ROK 2013)

2 Security and Defense Policies of Each Country

1 Indonesia

Indonesia is a country of importance in Southeast Asia with the world's largest Muslim population, a vast land and territorial waters, and strategic importance for maritime traffic. Although Indonesia does not suffer from any immediate external threats, it is faced with internal risks, including activities of Muslim radicals, such as Jemaah Islamiyah (JI), and secession and independence movements in Papua Province.

As a national defense policy, Indonesia is promoting "Total Defence" through both military defense and non-military defense activities under the idea that all people utilize all resources available in the country to maintain its independence, national sovereignty, territorial integrity, and national unification. Furthermore, as a military reform, Indonesia aims to achieve what it calls Minimum Essential Force (MEF), the requirements for minimum defense capabilities.

Indonesia emphasizes cooperation with other Southeast Asian countries¹, and practices an

¹ At the ASEAN Foreign Ministers Meeting held in July 2012, member states were divided over the

independent and active foreign policy. It is strengthening its cooperative relationship with the United States in such fields as military education and training, and military equipment procurement², and is involved in joint training with the United States. These include the “CARAT (Cooperation Afloat Readiness and Training)”³ and the “SEACAT (Southeast Asia Cooperation Against Terrorism)”⁴ exercises. In 2010, President Obama visited Indonesia to conclude a comprehensive partnership between the two countries. Furthermore, in August 2013 when US Secretary of Defense Chuck Hagel visited Indonesia, the two countries agreed on the sale of eight AH-64 attack helicopters from the United States to Indonesia, and concurred on strengthening bilateral defense cooperation.

Indonesia’s special operation forces are also engaged in the counter-terrorism training “Sharp Knife” in cooperation with China’s special operation forces. In October 2013, Chinese President Xi Jinping visited Indonesia and held talks with President Yudhoyono about strengthening cooperation against terrorism, as well as in the areas of humanitarian assistance and disaster relief. In addition, Commander-in-Chief of the Indonesian Armed Forces, General Moeldoko visited China in February 2014 and held talks with Chief of General Staff of the People’s Liberation Army, Fang Fenghui, covering issues such as strengthening and improving bilateral defense relations.

See ► Part I, Chapter 1, Section 7-3 (Relations with Other Countries); Part III, Chapter 3, Section 2-6 (Defense Cooperation and Exchanges with Southeast Asian Countries [1 Indonesia])

2 Malaysia

Malaysia, which is located at the center of Southeast Asia, considers itself to have common strategic interests with its neighboring countries. Although Malaysia does not acknowledge any imminent external threats at present, it believes that its forces should maintain a level of readiness that enables them to deal with all military threats, and therefore it places importance on “Independence,” “Total Defence,” “Commitment to the Rule of the Five Power Defence

contents of the joint declaration, and the joint declaration was ultimately not adopted. However, after the meeting, Indonesia’s Foreign Minister, Marty Natalegawa, held successive talks with foreign ministers from the respective member states. This led to the formulation of ASEAN’s Six Point Principles on the South China Sea.

² Concerning the issue of Timor-Leste, the United States suspended International Military Education and Training for Indonesian military personnel in 1992. IMET provides opportunities for studying and training at the U.S. military educational institutions. Though the restriction was partially lifted in 1995, the United States suspended IMET again in 1999. Later in 2005, the United States lifted the restriction and decided to resume arms export to Indonesia.

³ A general term that refers to a series of bilateral exercises that the U.S. conducts with Bangladesh, Brunei, Cambodia, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Timor-Leste.

⁴ A general term that refers to counter-terrorism joint exercises that the U.S. conducts with Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

Arrangements (FPDA)⁵,” “Cooperation to the U.N. for World Peace,” “Measures against Terrorism,” and “Defence Diplomacy” in its defense policy. Moreover, as part of “Defense Diplomacy,” Malaysia undertakes bilateral joint exercises such as the “CARAT” and “SEACAT” exercises with the U.S., which is not a FPDA country, and also conducts bilateral exercises with India to promote military cooperation.

Despite competing territorial claims over the South China Sea, Malaysia has a strong economic relationship with China and the leaders of both countries often visit with each other. In 2013, Chinese President Xi Jinping visited Malaysia, and Malaysian Defence Minister Hishammuddin Hussein visited China. It is reported that the two countries agreed to conduct the first joint military exercises in 2014.

See ▶ Part III, Chapter 3, Section 2-6 (Defense Cooperation and Exchanges with Southeast Asian Countries [9 Malaysia])

3 Myanmar

Myanmar shares borders with China and India, which are leading actors in the changes of the balance of power in the international community, and is also located on the border of South Asia and Southeast Asia. As such, its strategic significance is pointed out. Following the collapse of its socialist regime in 1988, the armed forces seized power in Myanmar, and the military junta suppressed pro-democracy movements. In response, the United States and European countries imposed economic sanctions. Against the backdrop of a slump in its economy as a result of economic sanctions and isolation in the international community, Myanmar issued a road map to democracy in 2003⁶. After a general election in 2010, Thein Sein was elected as a new president in February 2011. The road map to democracy was completed in March 2011 with the launch of the new administration led by Thein Sein.

Since the launch of the new administration, the government of Myanmar has been actively making initiatives toward democratization, including the release of political prisoners and ceasefire agreements with ethnic minorities⁷. In November 2013, peace talks were held between

⁵ Entered into force in 1971. This agreement states that Australia, New Zealand and the U.K. will discuss what response should be adopted in the event of aggression towards or the threat of an attack on Malaysia or Singapore. The five countries carry out various exercises based on these arrangements.

⁶ Consists of seven steps of: reconvening of the National Assembly, stepwise implementation of processes necessary for democratization, drafting a new constitution, a national referendum, convening of Pyithu Hluttaws, holding of elections and the establishment of a new government.

⁷ About 30% of Myanmar’s population is ethnic minorities, some of which demand secession or greater autonomy for their regions. In 1960s, the government of Myanmar implemented oppressive policies including human rights violations such as forced labor and forced migration, which led to armed conflicts with armed groups of ethnic minorities.

the government and ethnic minorities concerning a nationwide ceasefire agreement, and talks have been held continuously since then. The international community cautiously welcomed these initiatives, with the United States and European countries successively easing economic sanctions on Myanmar. In May 2013, President Thein Sein became the first president from Myanmar to visit the United States in almost 50 years. During the visit, he held talks with President Obama. In June the same year, Chief of the Defense Staff of the British Armed Forces, General Sir Richards, visited Myanmar as the first military official from western countries since its reform process began.

On the other hand, concerns about nuclear issues and military ties with North Korea are also pointed out⁸, and the international community has growing concerns regarding the impact on democratization of the conflicts which have emerged since 2012 between the Rohingya Muslim ethnic group and Buddhists.

In foreign policy, Myanmar upholds the principle of independence and non-alignment. On the other hand, China is thought to be an especially important partner to Myanmar since its period of military rule. Myanmar receives economic support from China. In October 2013, a gas pipeline connecting the two countries was completed and started full-scale operations. In the military area, China is regarded as a major supplier of equipment. In addition, in the same month, the Commander-in-Chief of Defence Services visited China and held talks with Chinese President Xi Jinping. Myanmar is also strengthening its cooperative relationship with India both in economic and military areas.

ASEAN accepted Myanmar as the 2014 chair of ASEAN, and its leadership in ASEAN-related international conferences is drawing much attention.

See ▶ Part III, Chapter 3, Section 2-6 (Defense Cooperation and Exchanges with Southeast Asian Countries [7 Myanmar])

4 The Philippines

The Philippines perceives that it is confronted with new security challenges, including

⁸ It is reported that at talks with then ROK President Lee Myung-Bak, President Thein Sein admitted that some weapons trading took place with North Korea in the past 20 years and indicated that the country would not engage in such trade in the future. He denied cooperation with North Korea in nuclear development. Moreover, it has been reported that, at the 11th IISS Asia Security Summit (Shangri-La Dialogue) held in June the same year, then Defense Minister Hla Min disclosed that academic studies on nuclear technology had begun under the previous government, but that this research had been abandoned when the new government was inaugurated and that Myanmar had also suspended its political and military ties with North Korea.

non-traditional issues and concerns in the security environment, such as cross-border crime. At the same time, it identifies long-standing security issues, such as the territorial disputes over the South China Sea and terrorism perpetrated by domestic antigovernment armed groups, as the major threats to national security. In particular, the government of the Philippines had been engaged in armed conflicts with the Moro Islamic Liberation Front (MILF) for over 40 years. With the help of the International Monitoring Team⁹, significant progress was made in the peace process, which resulted in the signing of the Framework Agreement towards a resolution of the Mindanao peace process in October 2012. In January 2014, the Government of the Philippines and the MILF jointly signed the annex on Normalization¹⁰ and in March of the same year, they signed the Comprehensive Agreement on the Bangasamoro: FAB¹¹. On the other hand, military clashes occurred between the government army and another armed groups opposing peace process¹². As such, it is thought that it will take time to achieve practical peace.

Having a historically close relationship, the Philippines and the United States recognize that the U.S.-Philippines alliance is essential for the peace, stability and prosperity of the Asia-Pacific region. The two countries have maintained the cooperative relationship under the mutual defense treaty and military assistance agreement, even after the withdrawal of the U.S. Forces in 1992¹³. The two countries have been conducting the large-scale annual joint military exercise Balikatan since 2000 as well as the “CARAT” and “SEACAT” joint exercises. In addition, the United States dispatched the Joint Special Operations Task Force-Philippines (JISOTF-P) to the south Philippines to support the armed forces of the Philippines in their campaign against

⁹ As of January 2013, Malaysia, Brunei, Indonesia, Japan, Norway and EU are the member states of IMT.

¹⁰ After a framework agreement was concluded in 2012, amongst the four annexes that had been continuously reviewed by the Philippine government and the MILF, an agreement had already been reached on items related to transitional arrangements and modalities, revenue generation and wealth sharing, etc., and power sharing. The final item left was talks about normalization.

¹¹ The goal of this agreement is to launch an autonomous government in 2016 after formulating the Bangsamoro Basic Law, holding a referendum in order to demarcate a jurisdictional domain, abolishing the Autonomous Region in Muslim Mindanao (ARMM) and establishing the Bangsamoro Transition Authority (BTA).

¹² In September 2013, the Moro National Liberation Front (MNLF), which opposes peace talks with the government, and the Moro Islamic Liberation Front (MILF) clashed with government military forces over three weeks at Zamboanga, located in the southern part of Mindanao. In January 2014, there were reports that the Bangsamoro Islamic Freedom Fighters (BIFF) had engaged in armed conflict with national military forces.

¹³ In 1947, a military base agreement was concluded that allows the United States to use Clark Air Base and Subic Bay Naval Station for 99 years and a military assistance agreement was also concluded in 1947, followed by the mutual defense treaty in 1951. With the revision of the 1966 military base agreement, the time limit for the presence of U.S. military bases in the Philippines was set for 1991. Then, Clark Air Base and Subic Bay Naval Station were returned in 1991 and 1992, respectively. Subsequently, the two countries concluded the Visiting Forces Agreement in 1998, establishing the legal status of U.S. military personnel visiting for joint military exercises in the Philippines.

Muslim extremist groups, such as the Abu Sayyaf Group (ASG)¹⁴. In November 2011, Secretary of Foreign Affairs Albert del Rosario and then U.S. Secretary of State Clinton signed the Manila Declaration commemorating the 60th anniversary of the U.S.-Philippines mutual defense treaty. In April 2012, the first U.S.-Philippines Ministerial Dialogue (“2+2”) was held. In December 2013, U.S. Secretary of State John Kerry visited the Philippines announcing support of 40 million USD in three years in order to enhance maritime defenses and counter-terrorism capabilities.

In April 2014, the two countries signed the U.S.-Philippines Enhanced Defense Cooperation Agreement¹⁵ aimed at strengthening bilateral cooperation in such areas as maritime security, capacity-building of the Philippine military through expanded joint exercises, and disaster relief.

The Philippines has territorial disputes with China over the Spratly Islands and the Scarborough Shoal in the South China Sea. In recent years, both countries have been exercising greater assertiveness in pressing their territorial claims and in raising objections against each other’s actions and assertions.

See ► Part I, Chapter 1, Section 5-4 (Trends Concerning the South China Sea)

See ► Part III, Chapter 3, Section 2-6 (Defense Cooperation and Exchanges with Southeast Asian Countries [4 The Philippines])

5 Singapore

Given its limited national land area, population and resources, Singapore’s existence and development depend on the peace and stability of the region in the globalized economy, and it gives high priority to national defense, with defense spending accounting for about one-quarter of its national budget.

Singapore identifies deterrence and diplomacy as the twin pillars of its national defense policy. Deterrence is provided by a robust national army and stable national defense spending, and diplomacy is established by strong and friendly relations with the defense institutions of other countries. Singapore is also working on capability improvement and modernization of the national army in order to defend the nation against direct threats and to respond to cross-border security issues, such as terrorism and piracy in peacetime. Since its land area is small, Singapore

¹⁴ With the aim of building a Muslim nation, ASG conducts activities such as terrorist bombings, assassinations and abductions in the southern Philippines.

¹⁵ This Agreement enables the U.S. Forces to build facilities and develop infrastructure at the bases of the Philippine military, preposition and store equipment and supplies for the defense of the Philippines as well as for humanitarian assistance and disaster relief, etc.

uses the military training facilities of other countries, such as the United States and Australia, and regularly sends its forces there for training.

Singapore emphasizes the importance of the cooperative relations with ASEAN and the FPDA¹⁶, and has concluded defense cooperation agreements with countries within and outside the region. With the aim of contributing to peace and stability in the region, Singapore supports the United States' presence in the Asia-Pacific and permits it to use military facilities in Singapore. Since 2013, Singapore and the United States has agreed to deploy U.S. littoral combat ships (LCS) to Singapore with a rotation of a maximum of four deployed ships, and a ship was accordingly deployed in April 2013¹⁷. In addition, Singapore conducted joint exercises with the U.S. such as the "CARAT" and "SEACAT" exercises.

Singapore and China conducted joint counter-terrorism exercises in 2009 and 2010 and have developed active reciprocal leaders' visits. In May 2013, Foreign Minister Wang Yi of China visited Singapore and Prime Minister of Singapore Lee Hsien Loong visited China in August of the same year.

See ► Part III, Chapter 3, Section 2-6 (Defense Cooperation and Exchanges with Southeast Asian Countries [3 Singapore])

6 Thailand

The Yingluck Administration, inaugurated in August 2011, has refined its security policies, aiming to improve army capabilities, enhance the defense industry, promote cooperative relations with neighboring countries, and strengthen capabilities to respond to non-traditional threats. Attacks and bombing incidents by Muslim radicals seeking secession/independence have become a frequent occurrence in southern Thailand and the new administration has identified the rapid restoration of peace and safety for the life and property of the people in the South as an urgent task.

In August 2013, a large-scale anti-government demonstration broke out in the heart of the capital city of Bangkok in response to the submission of an amnesty bill¹⁸ by the ruling party to the House of Representatives. The demonstration spread even after the bill was repealed in

¹⁶ See Part I, Chapter 1, Section 5-2, footnote 5

¹⁷ It has been reported that the second vessel is scheduled to be deployed in late 2014.

¹⁸ This gives amnesty to those who were arrested in the political upheaval since the military coup in 2006. It is said to allow the return home of former Prime Minister Thaksin Shinawatra, who is living abroad and has been convicted.

November of the same year. The House of Representatives was dissolved in December 2013, and a state of emergency¹⁹ was declared in January 2014. However, protesters continued with the demonstrations. Although general elections were held for the House of Representatives in February of the same year, voting activities were often disrupted by the protestors, and voting had to be halted at many voting centers. Consequently, in March of the same year, the Constitutional Court ruled that the House of Representatives elections were a violation of constitutional rights and therefore deemed invalid. The ruling party objected to this ruling. On May 7 of the same year, the Constitutional Court ruled that the personnel reshuffle that the cabinet conducted in the past was unconstitutional, resulting in the instant dismissal of (then) Prime Minister Yingluck Shinawatra and Cabinet members²⁰. Amid such circumstances, martial law was declared across the whole of Thailand on May 20 of the same year. On May 22, forces led by the military launched a coup and seized full control of the nation.

Thailand has unresolved border issues with neighboring countries, such as Myanmar and Cambodia. Thailand has a border dispute with Cambodia over the undefined border area²¹ surrounding the Preah Vihear Temple and has experienced intermittent armed conflict since 2008. The International Court of Justice issued provisional preservation measures ordering both countries to immediately withdraw their military personnel. Based on this and leaders' meetings, in July 2012, both countries started withdrawing their forces from the disputed area. In November 2013, the International Court of Justice declared the temple and a part of surrounding area to be Cambodian territory. Although the rest of the area was not clarified, both countries accepted the judgment, proceeding with further deliberation on the decision at the working level joint committee going forward.

Under its flexible omni-directional diplomatic policy, Thailand pursues cooperation with other Southeast Asian countries and coordination with major countries, including Japan, the United States and China. Since the conclusion of the Military Assistance Agreement in 1950, Thailand

¹⁹ In November 2013, the ruling party gave up on the passage of the bill, however, anti-government forces shifted the objective of the demonstrations to “overthrowing the current government,” continuing the demonstrations.

²⁰ The Constitutional Court ruled that the transfer of then National Security Council chief to a sinecure position in September 2011 was conducted for political purposes to promote a relative of (then) Prime Minister Yingluck to a higher position. The Court ruled that this was unconstitutional as it infringes on the provisions of the Constitution which prohibit state ministers from intervening unjustifiably in public servant appointments. The Prime Minister who was responsible for the reshuffle and relevant ministers were instantly dismissed on the grounds that the reshuffle constituted reason for dismissal provided for in the Constitution.

²¹ A Hindu temple located on the border between Cambodia and Thailand. The International Court of Justice ruled in 1962 that the temple was situated in territory under the sovereignty of Cambodia; however, the land around the temple remains undefined.

and its ally²², the United States, have maintained a cooperative relationship, and have been conducting the multinational military exercise “Cobra Gold” since 1982, as well as the “CARAT” and “SEACAT” joint exercises. However, in May 2014, the United States froze its military assistance in response to the coup.

Thailand promotes military exchanges with China; for example, the marine forces of Thailand and China hold a joint military training program codenamed “Blue Assault,” and Thailand and China agreed on the joint development of a multi-barreled rocket launching device in April 2012.

See ▶ Part III, Chapter 3, Section 2-6 (Defense Cooperation and Exchanges with Southeast Asian Countries [5 Thailand])

7 Vietnam

Vietnam realizes that it is confronted with more diverse and complex security challenges, that the issues in the South China Sea have serious impacts on the maritime activities of Vietnam, and that non-traditional threats, such as piracy and terrorism, are matters of concern.

During the Cold War era, the Soviet Union was the largest donor of assistance for Vietnam, and Russia owned a naval base in Cam Ranh Bay. After the collapse of the Soviet Union, Vietnam rapidly expanded its diplomatic relations, and established diplomatic ties with the United States. At present, Vietnam pursues an omni-directional diplomatic policy and states that it will actively participate in international and regional cooperation in order to build friendly relations with all countries. In May 2013, Prime Minister Nguyen Tan Dung announced the first participation in peacekeeping operations by Vietnam’s national armed forces. Furthermore, in May 2014, a PKO Center was established at the Foreign Relations Department of the Vietnamese Ministry of National Defence. As such efforts exemplify, Vietnam is committed to making contributions to the international community.

In recent years, Vietnam is strengthening its relationship with the United States in the military area through joint exercises with the U.S. Navy and U.S. Navy ships’ calling at Vietnam, for example. In September 2011, the two countries signed a memorandum of understanding on promoting cooperation between the two defense ministries. In December 2013, U.S. Secretary of State John Kerry visited Vietnam, announcing support of 1.8 million USD in maritime capacity building.

²² Thailand is in alliance with the United States based on the Southeast Asia Collective Defense Treaty, or Manila Pact, of 1954 and the Rusk-Thanat communiqué of 1962.

Vietnam and Russia elevated their bilateral relationship to a comprehensive strategic partnership in 2012, and continue to strengthen cooperation in the area of national defense. In March 2013, the Minister of Defence of the Russian Federation, Sergei Shoigu, visited Vietnam, and the two parties agreed to jointly construct warship replenishment facilities along Cam Ranh Bay. Furthermore, when President Vladimir Putin visited Vietnam in November of the same year, he agreed that Russia will provide support for training People's Army of Vietnam and Vietnam People's Navy. In recent years, the two countries have also been moving forward on cooperation in the energy sector, such as nuclear power generation. Vietnam is also almost completely dependent on Russia for its defense equipment.

Vietnam and China, under their comprehensive strategic partnership, are proactively conducting exchanges of high ranking government officials, as illustrated by the visit of President of Vietnam Sang to China in June 2013 and the visit of Premier of China Li Keqiang to Vietnam in October of the same year. However, the two countries have contentious issues such as territorial disputes in the South China Sea. In recent years, both countries have been actively involved in asserting their territorial rights and each expressed its objections to the activities and assertions of the other.

Vietnam and India upgraded their relationship to a strategic partnership in 2007 and have been deepening their cooperative relationship in a broad range of areas, including security and economy. In 2010, the two countries agreed to expand defense cooperation through the provision of Indian support for capacity building to develop the military equipment of Vietnamese military forces. It is pointed out that Indian Armed Forces supported the training of submarine personnel of the Vietnam People's Navy. In addition, Indian Navy vessels made a friendly visit to Vietnam. Cooperation in the area of energy between India and Vietnam is also deepening, with a joint development program for oil and natural gas in the South China Sea.

See ► Part I, Chapter 1, Section 5-4 (Trends Concerning the South China Sea)

See ► Part III, Chapter 3, Section 2-6 (Defense Cooperation and Exchanges with Southeast Asian Countries [2 Vietnam])

3 Military Modernization in the Region

In recent years, Southeast Asian countries have been modernizing their militaries against the backdrop of economic development and other factors, focusing on introducing major equipment such as submarines and fighters including a fourth-generation modern fighter. These initiatives are considered to be the results of factors such as increases in defense expenditures, the

relationship between Southeast Asian countries in the sense of their reaction to the development of military strength in neighboring states, response to the expansion of China's influence, and inadequacies in the role of regional security organizations to nurture relationships of trust²³. Moreover, many Southeast Asian countries procure much of their defense equipment from a wide range of countries. As such, there are perceived difficulties in achieving consistent operations and maintenance in the respective countries.

Indonesia had introduced a total of 16 Russian-made Su-27 fighters and Su-30 fighters by 2013. In 2011, it agreed to receive 24 F-16 fighters from the United States, and to purchase eight AH-64 attack helicopters in 2013. In July 2012 it agreed to receive four C-130 transport aircraft from Australia, and in July 2013 signed a memorandum of understanding to accept the sale of five decommissioned C-130 transport aircraft. In December 2011, Indonesia concluded agreements to purchase three 209-class submarines from the Republic of Korea (ROK), and began to engage in the joint development of the next-generation fighter KF-X in cooperation with the country. Furthermore, there are reports that it plans to replace its existing F-5 fighters in January 2014.

In 2009, Malaysia introduced two Scorpène-class submarines (jointly developed by France and Spain) as its first submarines. It also introduced 18 Russian-made Su-30 fighters by the same year and is selecting a successor to its Mig-29 fighters that are scheduled to be decommissioned in 2015.

The Philippines has taken steps in recent years to modernize its defense equipment against a backdrop of conflicts over territorial rights in the South China Sea. As it does not currently own any submarines or fighters it concluded an agreement with the ROK to purchase 12 FA-50 light combat aircraft in 2014. As for naval forces, the Philippines received two Hamilton-class frigates from the United States, the first one in May 2011 and the second one in May 2012. In 2013, it also introduced three Italian AW109 multi-purpose helicopters, and has announced plans to procure fighter helicopters, transport ships, amphibious vehicles, and other equipment.

Singapore has the largest defense budget among Southeast Asian countries and is actively striving to modernize its forces. By December 2012, Singapore introduced two Archer-class (Västergötland class) submarines from Sweden, and concluded an agreement to purchase two German 218SG-class submarines in December 2013. Singapore also introduced 24 US-made F-15 fighters and participates in the F-35 Joint Strike Fighter (JSF) Program.

²³ Based on the Military Balance, published by the International Institute for Strategic Studies (IISS), etc.

Thailand is the only country that operates an aircraft carrier in Southeast Asia, but it does not possess any submarines. The purchase of two frigates was approved by the Cabinet in September 2012, and it has introduced twelve Swedish-made JAS-39 fighters in 2013.

In December 2009, Vietnam concluded a contract to purchase six Russian-made Kilo-class submarines and had introduced two of them by March 2014. It has also been reported that Vietnam has concluded a contract to purchase two Dutch-made Sigma-class Corvettes in 2013. In addition, Vietnam is reported to have concluded a contract to purchase a total of 20 Russian-made Su-30 fighters from Russia during the years 2009 through 2011, and that it has concluded a contract in August 2013 to purchase 12 additional fighters of the same make.

4 Trends concerning the South China Sea

In the South China Sea, there are territorial²⁴ disputes between ASEAN countries and China over such areas as the Spratly Islands²⁵ and the Paracel Islands. In addition, there has been growing concern among the international community over issues such as the freedom of navigation in the Sea.

With the desire to promote the peaceful resolution of maritime territorial disputes in the South China Sea, ASEAN and China signed the Declaration on the Conduct of Parties in the South China Sea (DOC)²⁶ in 2002. This declaration is a political statement with a reference to principles of dispute resolution, but with no legally binding obligations. At the ASEAN-China Foreign Ministers' Meeting held in July 2011, the Guidelines for the Implementation of the DOC of Parties in the South China Sea was adopted to pave the way for effective implementation of the Declaration. Currently the concerned countries have confirmed their commitment to the formulation of the Regional Code of Conduct in the South China Sea (COC), which will provide more specific guidance with legally binding obligations. In September 2013, the first official consultation toward formulating the COC was held in Suzhou, China²⁷.

²⁴ China, Taiwan, Vietnam, the Philippines, Malaysia and Brunei claim sovereignty over the Spratly Islands, and China, Taiwan and Vietnam claims sovereignty over the Paracel Islands.

²⁵ The Areas surrounding the Spratly Islands are promising treasure troves of offshore resources such as oil and natural gas. In addition, the area is a maritime transport hub and is blessed with rich fishing resources.

²⁶ Includes provisions that all concerned parties should resolve the territorial disputes in a peaceful manner in accordance with the principles of international law that the adoption of the Code of Conduct will further promote peace and stability of the region, and that initiatives should be made to achieve the goals.

²⁷ In order to back up an official consultation, it was agreed to establish a "wise men's committee" by experts

Subsequently, the same consultations have been conducted in Singapore, Thailand, and Indonesia in 2014.

In the meantime, activities in the South China Sea by the related countries aimed at territorial claims are increasing. China enacted the Act on the Territorial Sea and the Contiguous Zone of the Republic of China in 1992, in which it made clear claims to the territorial rights of the Spratly Islands and the Paracel Islands. It attached the so-called “nine-dotted line” map in a verbal note addressed to the United Nations in 2009, in which it made claims to the parts of the South China Sea that purportedly came under China’s sovereignty, sovereign rights, and jurisdiction. There were objections to the ambiguity behind the justifications to this “nine-dash line” under international law, giving rise to territorial conflicts over the South China Sea between Southeast Asian countries.

In recent years, Chinese naval vessels and public vessels affiliated to maritime law enforcement agencies have been operating around the Scarborough Shoal and the Second Thomas Shoal, close to the Philippines, as well as the James Shoal and the South Luconia Shoal areas close to Malaysia. Furthermore, in June 2012, China announced the establishment of Sansha City in Hainan Province, which it claims to have jurisdiction over the Spratly Islands, Paracel Islands, the Macclesfield Bank, and their surrounding waters. In November 2013, Hainan Province amended its regulations on the implementation of China’s fishing law to stipulate that foreign fishing vessels that wish to carry out fishing activities in waters under the jurisdiction of Hainan Province are required to obtain permission from the relevant departments under China’s State Council.

From April to June 2012, Chinese law enforcement vessels and Philippines vessels, including a Philippine Navy vessel faced off against each other in the sea area surrounding the Scarborough Shoal. In June 2012, Vietnam adopted its Maritime Law (effective January 2013), which asserts its sovereignty over the Spratly and the Paracel Islands. In March 2013, there were reports that Chinese vessels had fired at Vietnamese fishing vessels. Furthermore, there were reports that in May 2014, China’s unilateral commencement of oil drilling in waters near the Paracel Islands triggered confrontations between Chinese and Vietnamese vessels, and many vessels sustained damages due to collisions. As such, it has been reported that the countries involved have resorted to the use of force on one another’s vessels, including seizing vessels and firing warning shots²⁸, and the concerned countries have expressed their objections against these

²⁸ It is reported that in 2010, Indonesia captured a Chinese fishing vessel, and in the same year, the Malaysia navy fleet and aircraft pursued a Chinese patrol ship. It has been reported that a Chinese

actions. Most recently, in January 2014, Chinese public vessels fired water cannons at Philippines fishing vessels and chased these vessels out of the waters they were in the sea area surrounding the Scarborough Shoal. In response, the government of the Philippines lodged a protest with the Chinese government.

On top of that, in January 2013, the Philippines filed an arbitration procedure based on the United Nations Convention on the Law of the Sea, concerning China's claims and activities in the South China Sea, but China notified the Philippines that it would not accept the Philippines' request for arbitration and proposed bilateral negotiations instead²⁹.

In addition, in November 2013, a spokesman from the Ministry of National Defense of the People's Republic of China declared that China would be setting up other air identification zones in the future, in addition to the East China Sea Air Defense Identification Zone that it had already established. In relation to this, in December of the same year, U.S. Secretary of State John Kerry stated that China should refrain from taking unilateral measures, including the establishment of air defense identification zones in Asia and particularly in the airspace above the South China Sea.

Peaceful solutions to the South China Sea disputes have been discussed at the various ASEAN meetings. However, with the ASEAN Foreign Ministers' Meeting held in July 2012 failing to adopt a joint statement, some lack of consensus among the member states was observed. However, there were also instances in which ASEAN adopted a unified response. For example, ASEAN expressed "serious concerns" over the confrontations between Chinese and Vietnamese vessels in the South China Sea at the ASEAN Summit and Foreign Ministers' Meeting in May 2014.

The issue of territorial disputes in the South China Sea is a common matter of concern for the whole international community, and is directly related to the peace and stability of the Asia-Pacific region. As such attention will continue to be paid to trends in the countries concerned, as well as the direction of dialogues aimed at resolution of the issue.

See ► Part III, Chapter 3, Section 1 (Promoting Multilateral Security Cooperation and Dialogue in Areas Including

authorities ship and a Chinese fishing boat cut an investigation cable of a Vietnamese resource exploration vessel in May 2011 and November 2012, respectively. It has also been reported that in February 2011, a Chinese naval vessel fired warnings shots at a Philippine fishing boat. Moreover, reports also indicate that a Chinese authorities ship in May 2011 and Chinese naval vessels in February 2012 and March 2013 fired upon a Vietnamese fishing boat in separate incidents.

²⁹ An arbitral tribunal can make an arbitral process and decision at a request from one party, even if the opponent refuses the request.

5 Regional Cooperation

ASEAN member states, seeking to establish the ASEAN Economic Community (AEC) by 2015, utilize ASEAN as a multilateral security framework for the region. ASEAN holds the ASEAN Regional Forum (ARF), a dialogue forum on security and the ASEAN Defense Ministers' Meeting (ADMM). Furthermore, efforts for improving the security environment in the region and promoting mutual trust have been made: for example, the holding of the ASEAN Militaries' Humanitarian Assistance and Disaster Relief Table-Top Exercise (AHR) in July 2011, the ASEAN's first military exercise.

The ASEAN places importance on developing relations with non-ASEAN member states. The ADMM Plus, an expanded version of the ASEAN Defense Ministers' Meeting, comprising ADMM members and eight non-ASEAN countries, including Japan, was established in 2010³⁰. The second ADMM Plus meeting was held in Brunei in August 2013. In addition, in June of the same year the first field exercise, the ADMM Plus Humanitarian Assistance/Disaster Relief/Military Medicine Exercises, and in September of the same year, and the first Counter Terrorism Exercise and maritime security field exercises were held. In November 2011, the U.S. and Russia became official members of the East Asia Summit (EAS), comprising ASEAN members and six non-ASEAN countries, in November 2011.

In the Southeast Asian region, multilateral cooperation is also being promoted in frameworks other than ASEAN, in order to deal with a wide variety of security issues such as transnational problems including terrorism and piracy. The counter-piracy measures include the "Malacca Straits Patrols" carried out by Indonesia, Malaysia, Singapore and Thailand. In addition, based on the "Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia" (ReCAAP)³¹, advancements are being made toward the sharing of information related to piracy and the establishment of cooperative systems.

³⁰ In addition to the framework of the ADMM Plus, defense ministers' meetings are held between the U.S. and ASEAN and China and ASEAN. In April 2014, a U.S.-ASEAN defense ministers' meeting was held in the United States for the first time.

³¹ As of June 2014, 19 countries are party to the agreement: Bangladesh, Brunei, Cambodia, China, Denmark, India, Japan, the ROK, Laos, Myanmar, the Netherlands, Norway, the Philippines, Singapore, Sri Lanka, Thailand, the U.K., Vietnam and Australia.