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## China's recalibrated counter-terrorism stance

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# CONTENTS

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<b>EDITOR'S NOTE</b> .....	3
<b>COMMENTARY</b>	
CHINA'S RECALIBRATED COUNTER-TERRORISM STANCE <i>SUSANNE KAMERLING</i> .....	4
<b>MAPPING EAST ASIA</b> .....	7
TRACKING CHINA .....	7
TRACKING JAPAN .....	12
TRACKING THE KOREAN PENINSULA .....	14
<b>ACTIVITIES OF THE CENTRE</b> (JANUARY-FEBRUARY 2016) .....	18

# EDITOR'S NOTE

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Regional security concerns escalated as 2016 began with North Korea's provocative nuclear test in early January. Regional stakeholders intensified their attempts towards denuclearisation of the Korean Peninsula and engaged in debating the impact of imposing stricter sanctions on the Pyongyang regime along with prospects of resuming the six party talks. International community including China strongly opposed North Korea's nuclear test. The latest development is likely to further deepen the fault lines between China and North Korea. Following the tensed period in the bilateral ties after Kim Jong-un assumed power, China made a few attempts to reach out to Pyongyang last year, for instance, hosting Choe Ryong-hae at the September military parade and Liu Yunshan's visit to Pyongyang for its military parade. But the latest developments will make it further difficult for Beijing to deal with Kim Jong-un's boldness. Despite President Xi Jinping's insistence to resume the six party talks and call to Kim Jong-un to honour its denuclearisation pledges, a fourth nuclear test has presented a huge security challenge to the region. Meanwhile, as the US and South Korea began discussions on deployment of Terminal High Altitude Area Defense (THAAD) system following the nuclear test by North Korea, this is expected to escalate tensions in the Peninsula since Beijing and Moscow have expressed their reservations over any such deployment.

In addition, January-February witnessed escalated tensions in the South China Sea as the USS Curtis Wilbur destroyer sailed within 12 nautical miles of Zhongjian Dao. While the Chinese authorities urged the US to accept and follow Chinese law and work towards building mutual trust to maintain regional peace and stability, the US articulated that the aim was to challenge the excessive maritime claims that constrain the rights and freedoms of the US and others, not about territorial claims to land features. Furthermore, the US and China intensified their positions and blamed each other for militarising the South China Sea. Besides, the period under review saw important developments within China including the unfolding of military reforms and enactment of the counter-terrorism law. Moreover, the inauguration ceremony of the Asian Infrastructure Investment Bank (AIIB) was hosted in Beijing where President Xi argued his aim is to channelise greater resources, especially private investment into infrastructure projects supporting regional connectivity and economic integration.

This issue of Monitor carries one commentary on China's Recalibrated Counterterrorism Stance by Ms. Susanne Kamerling. Besides, significant developments in China, Japan and the Korean Peninsula are captured by way of brief news items.

We look forward to comments and suggestions from our readers.

TITLI BASU

## CHINA'S RECALIBRATED COUNTER-TERRORISM STANCE



*Susanne Kamerling*

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President Xi Jinping's response to the killing of Chinese citizen by ISIS in November 2015 was fierce. He immediately announced his determination to contribute to the coalition fighting the terrorist movement. At the same time censors in China worked over hours to keep the high-profile event out of the domestic news. The leadership is sensitive to public outrage that might lead to policy-criticism. What was widely reported in China however, were the November attacks in Paris, in which the government apparently saw a suitable incentive and justification to publicise on a large-scale domestic counter-terrorist operation in the Chinese region of Xinjiang that happened months before.<sup>1</sup> Simultaneously, new counter-terrorism guidelines were announced, the counter-terrorism working group under the Ministry of Public Security gathered in a televised event and a first commissioner on counter-terrorism was appointed; Liu Yuejin, known for his harsh approach in cracking down on illegal drugs traffic in the south-west of China. In December, just before 2015 drew to a close, the final draft of the Anti-Terrorism Law was adopted, that had been work-in-progress for more than one-and-a-half year by then. The law proposes a national organ for counter-terrorism work and a national intelligence center to be established to coordinate interdepartmental and transregional intelligence and information sharing. The responsibility and cooperation of the Chinese population at large in what is called the 'people's war on terror' is also called upon repeatedly in the law. The coming-into-being of the National Security Law in July 2015 also meant a widening of legal possibilities to act against anything or anyone that is perceived as a threat to the countries' security. The NGO-law might have the same effect. This linking up of domestic and international events therefore, marked a clear recalibration of China's counter-terrorism policies and stance.

Where Chinese academics and policy advisors in 2014 were still lax about the uproar in Syria and Iraq, noting that it had no clear links to China and that it was "far away for us", 2015 in contrast drew China much closer to the West Asia.<sup>2</sup> Next to the ISIS-victim, three Chinese businessmen were killed in a terrorist attack in Mali in the same month of November. Although Chinese citizens have been target of attacks and kidnappings abroad before – mostly in Africa – these were the first clear and high profile victims of terrorist attacks rather than political unrest or local grievances. Xi's reaction reflects this, and Beijing has recently sought to strengthen its international position in terrorism-related matters. It has mentioned counter-terrorism in its announcement of opening the (military) support facility in Djibouti,

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<sup>1</sup> 'China Ministry Links Antiterror Efforts to Paris Tragedy,' *Wall Street Journal*, November 15, 2015. 'China Posted a Rare Announcement About a 56-day Battle in the Wake of Attacks on Paris,' *Business Insider*, November 14, 2015, <http://www.businessinsider.com/r-china-shows-unusual-pictures-of-its-fight-against-terror-2015-11>. 'China Sounds Nationwide Security Alert after Paris Attacks,' *The Economic Times*, accessed June 18, 2016, <http://economictimes.indiatimes.com/news/international/world-news/china-sounds-nationwide-security-alert-after-paris-attacks/articleshow/49791703.cms>.

<sup>2</sup> Interviews of the author with Middle East and International Relations scholars in Shanghai and Beijing, October-November 2014. China also published its first white paper on the Arab region in January 2016, indicating the growing importance of this region to Beijing.



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as well as in its pledged contribution to UN peacekeeping with a permanent police squad.<sup>3</sup> And where China still opposed any resolution against Syria before November 2015, partly due to its ‘regime-change hangover’ from abstaining its vote on the Libya-intervention, Beijing did for the first time support a Syria-related resolution. UNSC resolution 2249 adopted on 20 November 2015 condemned ISIS’ actions, and China’s support not coincidentally came in days after ISIS announced to have killed its first Chinese citizen. China’s Ambassador to the UN Liu Jieyi justified the support by stating, ‘ISIL and other terrorist organizations had launched deadly attacks around the world and had killed Chinese citizens, among others. (...) While the international community must join hands and form a united front against terrorism, actions must also address the root causes and the financing of terrorism. Combating East Turkistan terrorist forces is an important part of the fight.’<sup>4</sup> Although the Chinese victims fell at the hands of Al Qaida (Mali) and ISIS, China takes the opportunity here to also focus on its domestic adversary: the Uighurs that have joined hands in the East Turkistan Islamic Movement (ETIM), believed to be turned into Turkistan Islamic Party (TIP) in 2008. He has again done so during a more recent UN debate on terrorism this year.<sup>5</sup>

Although it is unclear what Beijing’s commitment to contributing to the international coalition fighting ISIS means in practice - Chinese ‘boots on the ground’ are out of the question at this stage - it will mostly be in more indirect ways. As several scholars said: ‘There are already enough parties involved militarily in Syria and Iraq’.<sup>6</sup> ‘Indirect ways’ is thus seen to be predominantly through intelligence.<sup>7</sup> The government has been increasingly pushing counter-terrorism dialogues, or incorporating the topic of terrorism in broader security dialogues it has with many countries bilaterally. Also, this year Beijing has signed agreements with Europol and the Global Counter Terrorism Forum (GCTF) - together with 49 other nations - with this objective in mind.<sup>8</sup> There is however hesitation and caution among many governments, especially in Europe, to conclude such arrangements with China mainly because of human rights concerns. Also, China’s effort of uncritically conflating the government’s domestic worries of the ‘three evils’ of terrorism, separatism, and extremism, predominantly pointing towards the Uighurs in the troubled region of Xinjiang, with the global terrorism threat has raised criticism. Despite violent attacks having increasingly taken place the last decade in Xinjiang and elsewhere in China, some argue that it is hard to say if these are the result of local political grievances stemming from Beijing’s harsh crackdown on cultural and religious freedoms rather than any jihadist or separatist aspirations of the perpetrators in question.

Protecting overseas interests has become one of the major drivers of China’s international activities. The white paper on military strategy of 2015 clearly states this as one of the PLA’s objectives. But safeguarding its interests abroad and counter-terrorism show increasing overlap. Interestingly, the newly adopted anti-terrorism law specifically grants the PLA and People’s Armed Police (PAP) permission to go abroad on counter-terrorism missions, leaving space for covert action on foreign soil. This conforms to Xi’s call - following the Chinese victims to ISIS and Mali - upon

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<sup>3</sup> Yan Zhang, ‘UN Peacekeepers to Help Police Fight Crime,’ *China Daily*, accessed May 18, 2016, [http://www.chinadaily.com.cn/world/2015xivisit/2015-09/17/content\\_21898965.htm](http://www.chinadaily.com.cn/world/2015xivisit/2015-09/17/content_21898965.htm); ‘Xi Announces 10 Major China-Africa Cooperation Plans for Coming 3 Years,’ *Xinhua Net*, December 4, 2015, [http://news.xinhuanet.com/english/2015-12/04/c\\_134886420.htm](http://news.xinhuanet.com/english/2015-12/04/c_134886420.htm).

<sup>4</sup> ‘Security Council ‘Unequivocally’ Condemns ISIL Terrorist Attacks, Unanimously Adopting Text That Determines Extremist Group Poses ‘Unprecedented’ Threat,’ *United Nations*, accessed June 18, 2016, <http://www.un.org/press/en/2015/sc12132.doc.htm>.

<sup>5</sup> ‘Statement by Ambassador LIU Jieyi at the Security Council Debate on Countering Terrorism,’ China-un.org, April 14, 2016, accessed June 18, 2016, <http://www.china-un.org/eng/zt/20160401/t1359972.htm>.

<sup>6</sup> Interview of the author with PLA officer and Chinese scholars, Beijing, November-December 2015.

<sup>7</sup> Ibid.

<sup>8</sup> ‘China, Europol to Strengthen Practical Cooperation,’ *Xinhua Net*, April 19, 2016, [http://news.xinhuanet.com/english/2016-04/19/c\\_135293861.htm](http://news.xinhuanet.com/english/2016-04/19/c_135293861.htm); ‘Fifty Nations Agree to Cooperate on Concrete Measures to Counter Terrorism,’ *Xinhua Net*, December 1, 2016, [http://news.xinhuanet.com/english/2016-01/12/c\\_134999397.htm](http://news.xinhuanet.com/english/2016-01/12/c_134999397.htm).

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Chinese government departments to intensify their work outside of China's borders. This marks a clear departure from its previous counter-terrorism stance, and one that is not to be underestimated in terms of Beijing's changing foreign policy priority list. China is now (openly) willing to fight terrorism abroad, however indirectly it will do this. How Beijing's counter-terrorism policies will evolve though, and perhaps more importantly, how effective they turn out to be in tackling the perceived domestic threat, it is clear that China's long-standing foreign policy principle of non-interference is becoming ever more tweaked in Beijing's practices abroad. In particular if counter-terrorism activities, which include keeping an eye on, and if needed repatriate its migrated Chinese citizens, are a growing part of that game; which is likely to be the case.

## TRACKING CHINA

### Military reforms in China

In January, China has restructured the military headquarters into 15 new agencies under the Central Military Commission (CMC). The earlier four general headquarters including staff, politics, logistics and armaments is now reorganised into three commissions including the discipline inspection, politics and law, and science and technology in addition to the general office and administration, auditing, international cooperation, reform and organisational structure, and strategic planning. Six new departments have been established including joint staff, political work, logistical support, equipment development, training, and national defence. President Xi Jinping argued that this reorganisation is a key step for building a stronger military. This reorganisation is expected to 'better advice and serve the CMC, while enforcing CMC orders'.<sup>1</sup> President Xi reportedly called upon the newly reorganised agencies to concentrate on 'winning wars as their central task'. He encouraged adjusting to changes and constructing an efficient joint command system.<sup>2</sup>

In February, Chinese military has been restructured into five PLA theater commands with focus on combat and are accountable for managing security threats in their individual strategic ranges, maintaining peace, 'containing wars and winning wars, noting their pivotal role in safeguarding the country's overall national security and military strategies'.<sup>3</sup> CMC assumed control of the military administration. President Xi underscored that the decision to create the theater commands and build joint battle command system 'is a strategic decision by the Communist Party of China (CPC) Central Committee and the CMC to realise the Chinese dream of a strong military'. Moreover, it was emphasised that the armed forces must comply and have a high degree of conformity with the CPC Central Committee and firmly conform to political discipline and guidelines, and perform their instructions accurately. Chinese military reform is targeted at instituting a three-tier system including the CMC, theater commands and troops command system and an administration system. In the past that is before the reorganisation, China had seven military area commands headquartered in Shenyang, Beijing, Jinan, Nanjing, Guangzhou, Chengdu and Lanzhou.

### Developments in the South China Sea

On January 30, the Chinese foreign ministry stated that the Law of the People's Republic of China on the Territorial Sea and the Contiguous Zone was violated by the USS Curtis Wilbur destroyer when it sailed within 12 nautical miles of Zhongjian Dao without the approval of the Chinese authorities. China started surveillance and issued warnings to the vessel in conformity with the law. It further pressed the US to accept and follow Chinese law and work towards building mutual trust to maintain regional peace and stability.<sup>4</sup> Navy Capt. Jeff Davis reportedly indicated that the 'operation was about challenging excessive maritime claims that restrict the rights and freedoms of the United States and others, not about territorial claims to land features'.<sup>5</sup>

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<sup>1</sup> 'China reshuffles military headquarters', *Xinhua*, January 11, 2016 [http://eng.mod.gov.cn/DefenseNews/2016-01/11/content\\_4636193.htm](http://eng.mod.gov.cn/DefenseNews/2016-01/11/content_4636193.htm) accessed on March 25, 2016

<sup>2</sup> 'Xi urges reorganized military organs to focus on winning wars', *Xinhua*, January 11, 2016 [http://news.xinhuanet.com/english/2016-01/11/c\\_134998623.htm](http://news.xinhuanet.com/english/2016-01/11/c_134998623.htm) accessed on March 25, 2016

<sup>3</sup> 'China's military regrouped into five PLA theater commands', *Xinhua*, February 1, 2016 [http://news.xinhuanet.com/english/2016-02/01/c\\_135065429.htm](http://news.xinhuanet.com/english/2016-02/01/c_135065429.htm) accessed on March 25, 2016

<sup>4</sup> 'Foreign Ministry Spokesperson Hua Chunying's Remarks on US Navy Vessel's Entry into Territorial Waters of Zhongjian Dao of China's Xisha Islands', *Ministry of Foreign Affairs of the People's Republic of China*, January 30, 2016 [http://www.fmprc.gov.cn/mfa\\_eng/xwfw\\_665399/s2510\\_665401/2535\\_665405/t1336822.shtml](http://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/2535_665405/t1336822.shtml) accessed on March 25, 2016

<sup>5</sup> Missy Ryan, 'U.S. missile destroyer sailed close to island claimed by China', *The Washington Post*, January 30, 2016 <https://www.washingtonpost.com/news/checkpoint/wp/2016/01/30/u-s-missile-destroyer-sailed-close-to-island-claimed-by-china/> accessed on March 25, 2016



Furthermore in February, the US State Department suggested that satellite pictures indicate missiles deployment in Yongxing Island. Yet, China, underscoring its unquestionable sovereignty over the Nansha Islands and adjacent waters, has blamed the US of double standards and militarising the South China Sea by directing missile destroyer and strategic bombers around the Nansha Islands and holding joint military exercises with its allies. Defending the placement of defense facilities in Yongxing Island, China stressed that the US should respect Chinese sovereign right.<sup>6</sup> Chinese defence ministry on February 25 said that the US, ‘as a country out of the region’ has sent out military ships and aircraft and has left ‘no stone unturned in persuading and encouraging its allies and partners to conduct highly targeted joint military exercises and joint maritime patrols in the South China Sea’.<sup>7</sup>

### **Foreign Minister Wang Yi visits the US**

Foreign Minister Wang Yi met Secretary of State John Kerry in Washington on 23 February where both sides discussed several issues including the developments in the Korean Peninsula, Syria, freedom of navigation and over-flight in the South China Sea, cyber security, human rights, and nonproliferation issue. Secretary Kerry said that both countries ‘share one of the most consequential relationships in the world’.<sup>8</sup> He further stressed that ‘the reason that we’ve been able to cooperate in areas where our interests and our values are aligned, despite the fact that we have clear differences on some other issues, is that both the United States and China are deeply committed to an open and frank dialogue’.<sup>9</sup> Foreign Minister Wang and Kerry discussed the provocative conduct of North Korea and the significance of decreasing ‘tensions and maintaining the space necessary for diplomatic solutions to the competing claims in the South China Sea’.<sup>10</sup> This was the third meeting between the two leaders in a month.<sup>10</sup>

### **President Xi Jinping tours the Middle East**

President Xi Jinping visited Saudi Arabia, Egypt, and Iran from January 19-23. On January 19, President Xi met with King Salman bin Abdulaziz Al Saud in Riyadh and shared views on China-Saudi Arabia bilateral relations, regional and global challenges. China-Saudi Arabia comprehensive strategic partnership was instituted with the objective of enabling better cooperation. Saudi Arabia stressed its support to Chinese Belt and Road Initiative and expressed the need to boost bilateral cooperation in trade, investment, energy, education, science, technology, and information security. Furthermore, both sides decided to work together for the progress of the Silk Road Economic Belt and the 21st Century Maritime Silk Road. They agreed to accelerate cooperation in railways, ports, power stations, communications, industrial zones, and energy sector. Both leaders underscored the importance of AIIB as a ‘financing platform of mutual benefits and win-win results to push regional connectivity’. They decided to begin the China-GCC FTA at the soonest.<sup>11</sup>

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<sup>6</sup> ‘China accuses U.S. of militarizing South China Sea’, *Xinhua*, February 19, 2016 [http://news.xinhuanet.com/english/2016-02/19/c\\_135114308.htm](http://news.xinhuanet.com/english/2016-02/19/c_135114308.htm) accessed on March 25, 2016

<sup>7</sup> ‘Defense Ministry’s regular press conference on Feb.25’, *The Ministry of National Defense The Peoples Republic of China*, February 25, 2016 [http://eng.mod.gov.cn/Press/2016-02/25/content\\_4644801.htm](http://eng.mod.gov.cn/Press/2016-02/25/content_4644801.htm) accessed on March 25, 2016

<sup>8</sup> ‘Remarks With Chinese Foreign Minister Wang Yi, Remarks John Kerry Secretary of State’, U.S. Department of State, Ben Franklin Room Washington, DC, February 23, 2016 <http://www.state.gov/secretary/remarks/2016/02/253164.htm> accessed on March 27, 2016

<sup>9</sup> *ibid*

<sup>10</sup> ‘Meeting between top Chinese, U.S. diplomats highlights DPRK, South China Sea issues’, *Xinhua*, February 24, 2016 [http://news.xinhuanet.com/english/2016-02/24/c\\_135127030.htm](http://news.xinhuanet.com/english/2016-02/24/c_135127030.htm) accessed on March 27, 2016

<sup>11</sup> ‘Xi Jinping Holds Talks with King Salman bin Abdulaziz Al Saud of Saudi Arabia Two Heads of State Jointly Announce Establishment of China-Saudi Arabia Comprehensive Strategic Partnership’, *Ministry of Foreign Affairs of the People’s Republic of China*, January 20, 2016 [http://www.fmprc.gov.cn/mfa\\_eng/topics\\_665678/xjpdstajyljxgsfw/t1333527.shtml](http://www.fmprc.gov.cn/mfa_eng/topics_665678/xjpdstajyljxgsfw/t1333527.shtml) accessed on March 27, 2016

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On January 20, Chinese President Xi Jinping arrived in Cairo as both countries celebrated the 60<sup>th</sup> anniversary of their diplomatic ties. On January 21, President Xi met his counterpart President Abdel-Fattah al-Sisi in the Quba Palace. Both sides signed the ‘Five-Year Outline on Strengthening the Comprehensive Strategic Partnership Between the People’s Republic of China and the Arab Republic of Egypt’ and the ‘Momentum of Understanding on Jointly Promoting Construction of the Silk Road Economic Belt and the 21st Century Maritime Silk Road Between the Government of the People’s Republic of China and the Government of the Arab Republic of Egypt’. Besides, they strengthened cooperation in areas such as electric power, infrastructure construction, economy and trade, energy, finance, aviation and aerospace, culture, media, science, technology and climate change. In addition, both sides together inaugurated the second-phase construction of the China-Egypt Suez Economic and Trade Cooperation Zone.<sup>12</sup>

On January 21, President Xi addressed the League of Arab States and gave a speech — ‘Jointly Create a Brighter Future for China-Arab Relations’. He emphasised that given the mutual trust, both sides should work together in realising the Belt and Road initiative and support development both in China and the Arab states.<sup>13</sup> President Xi went to Tehran and met Supreme Leader Ali Khamenei on 23 January 2016. President Xi indicated that China is a ‘reliable cooperative partner’. Iran was identified a ‘natural partner’ in realising the Belt and Road initiative. Issues such as infrastructure, connectivity, production capacity and energy were discussed.<sup>14</sup>

### Chinese response to the developments in North Korea

Chinese foreign ministry expressed reservations following the North Korean hydrogen bomb test in early January. China reiterated its point that the Peninsula must be denuclearised and nuclear proliferation should not be allowed in order to maintain peace and stability in Northeast Asia. Furthermore, China called on the North to honour its obligation to denuclearisation, and to stop every act that may worsen the state of affairs. In addition, the foreign ministry underscored that the North Korean issue must be resolved through the six-party talks.<sup>15</sup> China in the UN Security Council’s discussion concerning new sanctions against North Korea argued that the goal should be to prevent Pyongyang from progressing its nuclear and missile program. China does not favour unilateral sanctions and hoped relevant nations can work together without making the issue more complex.<sup>16</sup> Subsequently in February, noting the North Korean satellite launch, the foreign ministry stated that ‘DPRK has the right to make peaceful use of the space, but this right is subject to restrictions of the Security Council resolutions’. China expressed regrets that Pyongyang used ballistic missile technology to perform the launch despite the persistent resistance from the global community. Foreign ministry stressed that ‘dialogue and consultation is the only way to ensure lasting peace and stability in the region’.<sup>17</sup>

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<sup>12</sup> ‘Xi Jinping Holds Talks with President Abdel-Fattah al-Sisi of Egypt Stressing to Join Hands to Constantly Create New Situation in China-Egypt Friendly and Mutually Beneficial Cooperation’, *Ministry of Foreign Affairs of the People’s Republic of China*, January 21, 2016 [http://www.fmprc.gov.cn/mfa\\_eng/topics\\_665678/xjpdstajyljxgsw/t1334599.shtml](http://www.fmprc.gov.cn/mfa_eng/topics_665678/xjpdstajyljxgsw/t1334599.shtml) accessed on March 27, 2016

<sup>13</sup> ‘Xi Jinping Delivers Important Speech at Headquarters of the League of Arab States, Stressing to Jointly Create a Bright Future for Development of China-Arab Relations and Promote National Rejuvenation of China and Arab States to Form More Convergence’, *Ministry of Foreign Affairs of the People’s Republic of China*, January 22, 2016, [http://www.fmprc.gov.cn/mfa\\_eng/topics\\_665678/xjpdstajyljxgsw/t1334587.shtml](http://www.fmprc.gov.cn/mfa_eng/topics_665678/xjpdstajyljxgsw/t1334587.shtml) accessed on March 27, 2016

<sup>14</sup> ‘Xi Jinping Meets with Supreme Leader Ali Khamenei of Iran’, *Ministry of Foreign Affairs of the People’s Republic of China*, January 24, 2016 [http://www.fmprc.gov.cn/mfa\\_eng/topics\\_665678/xjpdstajyljxgsw/t1335153.shtml](http://www.fmprc.gov.cn/mfa_eng/topics_665678/xjpdstajyljxgsw/t1335153.shtml) accessed on March 27, 2016

<sup>15</sup> ‘China firmly opposes DPRK’s nuclear test’, *Xinhua*, January 6, 2016 [http://news.xinhuanet.com/english/2016-01/06/c\\_134983563.htm](http://news.xinhuanet.com/english/2016-01/06/c_134983563.htm) accessed on March 27, 2016

<sup>16</sup> ‘China opposes unilateral sanctions against N Korea’, *China.org.cn*, February 6, 2016, [http://www.china.org.cn/world/2016-02/06/content\\_37749908.htm](http://www.china.org.cn/world/2016-02/06/content_37749908.htm) accessed on March 27, 2016

<sup>17</sup> ‘Foreign Ministry Spokesperson Hua Chunying’s Remarks on DPRK’s Launch of Satellite’, *Ministry of Foreign Affairs of the People’s Republic of China*, February 7, 2016 [http://webcache.googleusercontent.com/search?q=cache:http://www.fmprc.gov.cn/mfa\\_eng/xwfw\\_665399/s2510\\_665401/t1339405.shtml&gws\\_rd=cr&ei=h2t\\_V9qUFcrLvgSwvIv4BQ](http://webcache.googleusercontent.com/search?q=cache:http://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/t1339405.shtml&gws_rd=cr&ei=h2t_V9qUFcrLvgSwvIv4BQ) accessed on March 27, 2016

## China calls for structural reforms at the G20 Finance Ministers and Central Bank Governors Meeting

Shanghai hosted the first G20 Finance Ministers and Central Bank Governors Meeting under Chinese presidency on February 26-27. Premier Li Keqiang has urged for deeper macroeconomic policy coordination between the G20 members to better equip against the economic headwinds. Drawing attention to the spillover effects of their macroeconomic policies, Li stressed that the G20 members should bear in mind the implication of their policies on others' growth. Furthermore, he emphasised the need for better communication and coordination to protect the stability of the global financial market. Quantitative easing will barely eliminate structural problems to growth. Hence the attention should be on structural reforms. He encouraged innovation, deregulation, more competition, and greater openness.<sup>18</sup> China underscored the significance of structural reform. Finance Minister Lou Jiwei argued that 'structural reform is crucial to a robust, balanced and sustainable economy, with governments working on coordinated top-down design'.<sup>19</sup>

### China adopts first counter-terrorism law

National People's Congress (NPC) Standing Committee adopted its first counter-terrorism law with the objective of addressing the increasing threats of terrorism in the nation. The new law came into force in January. It proposed a foremost organ for counter-terrorism efforts that will have the responsibility of detecting terrorist activities and recruits and nationally coordinate anti-terrorist efforts. State will offer required financial backing for vital regions registered in the counter-terrorist proposal. Meanwhile, a national intelligence center will be instituted to harmonise inter-departmental and trans-regional initiatives on counter-terrorism intelligence and information. Terrorism has been defined as any activity that, 'by means of violence, sabotage or threat, generates social panic, undermines public security, infringes on personal and property rights, and menaces government organs and international organisations with the aim to realise certain political and ideological purposes'. The law is said to have founded the basic doctrine for counter-terrorism efforts and reinforces prevention, handling, and punishment in addition to international cooperation. According to the new law, telecom companies and internet service providers need to make available technical support, together with decryption to security establishments in order to deter and investigate terrorist activities.<sup>20</sup>

### Developments related to the anti-corruption movement

In January, Wu Yuliang, the Vice Chief of the Central Commission for Discipline Inspection (CCDI) of the CPC said that 336,000 officials were disciplined in the preceding year for disrespecting the Party's code of conduct or additional regulations. Furthermore, he stressed that 'wayward officials only account for a very small percentage of the 87-million member party'. Party's zero-tolerance of corruption was emphasised by Vice Chief Wu. Defending the credibility of the anti-graft movement, he cited the 2015 public opinion survey done by the National Bureau of Statistics which reflected 91.5 per cent of respondents being satisfied with the campaign.<sup>21</sup> Decoupling the anti-corruption movement from power struggle within the party, he underscored that the enquiry, and the subsequent sentencing of dishonest officers is founded on 'objective facts and ironclad evidence'.

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<sup>18</sup> 'Chinese Premier urges G20 policy coordination', *Xinhua*, February 26, 2016 [http://news.xinhuanet.com/english/2016-02/26/c\\_135135246\\_2.htm](http://news.xinhuanet.com/english/2016-02/26/c_135135246_2.htm) accessed on March 27, 2016

<sup>19</sup> 'Chinese finance minister calls for structural reform of G20', *Xinhua*, February 26, 2016 [http://news.xinhuanet.com/english/2016-02/26/c\\_135134867.htm](http://news.xinhuanet.com/english/2016-02/26/c_135134867.htm) accessed on March 27, 2016

<sup>20</sup> 'China adopts first counter-terrorism law in history', *Xinhua*, December 27, 2015 [http://news.xinhuanet.com/english/2015-12/27/c\\_134956054.htm](http://news.xinhuanet.com/english/2015-12/27/c_134956054.htm) accessed on March 29, 2016

<sup>21</sup> 'Corruption investigation based on "ironclad" evidence: Official', *Xinhua*, January 15, 2016 [http://news.xinhuanet.com/english/2016-01/15/c\\_135013173.htm](http://news.xinhuanet.com/english/2016-01/15/c_135013173.htm) accessed on March 29, 2016

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## President Xi attends the inauguration ceremony of AIIB

On January 16, President Xi Jinping attended the inauguration ceremony of the Asian Infrastructure Investment Bank (AIIB) in Beijing. President Xi argued that the bank will efficiently strengthen investment supporting Asian infrastructure development. Moreover, it will channelise greater resources, especially private investment into infrastructure projects with the objective to supporting regional connectivity and economic integration. He further stressed that AIIB also implies ‘a great deal to the reform of the global economic governance system. It is consistent with the evolving trend of the global economic landscape and will help make the global economic governance system more just, equitable and effective’.<sup>22</sup> President Xi further articulated that the AIIB will work ‘as a multilateral development bank as far as its operating model and principles are concerned’. It will draw lessons from the knowledge and finest practices of current multilateral development banks with regard to governance, environment, social welfare, procurement policies and debt sustainability. Shared knowledge will benefit the AIIB functions. He welcomed AIIB and other global financial institutions to participate in the Silk Road Economic Belt and 21st Century Maritime Silk Road.<sup>23</sup> Meanwhile, Premier Li Keqiang addressed the inaugural meeting of the Board of Governors of the AIIB. Li argued the AIIB ‘should offer solutions, equipment products and financial support featuring low cost, high technology, energy conservation and environmental protection to meet the development needs of the developing member states in industrialization and urbanization’.<sup>24</sup>

## China-Australia Diplomatic and Strategic Dialogue

On February 17, Foreign Minister Wang Yi hosted his Australian counterpart Julie Bishop in Beijing for the third round of China-Australia Diplomatic and Strategic Dialogue. Besides discussing bilateral issues, both leaders exchanged views on regional challenges. Both countries talked about deepening political trust, increasing mutually beneficial cooperation, and respecting each other’s core interests. Strengthening cooperation with an emphasis on linking China’s Belt and Road initiative and Canberra’s strategy to improve its north region. In addition connecting China’s innovation-driven development strategy and Australia’s National Innovation and Science Agenda was discussed. Besides, both leaders decided to further develop economic cooperation and deepen their defense cooperation. Furthermore, greater coordination in the UN, G20, APEC and other multilateral events were deliberated upon. Julie Bishop specified that ‘Australia-China relations are one of the most important bilateral relations for Australia. Australia welcomes China’s peaceful rise and is glad to see China playing an important role in line with its national strength’.<sup>25</sup>

## Chinese advances in Djibouti

On February 5, *China Daily* reported that Beijing’s ‘first overseas naval logistics support outpost’ in Djibouti is necessary to manage problems met by Chinese peacekeeping navy. Chinese foreign ministry stated that China has dispatched escort fleets to the Gulf of Aden and Somalia and these flotillas encountered problems and this base is vital to provide effective logistical support. While military bases and support facilities for the US and France is there in

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<sup>22</sup> ‘Full text of Chinese President Xi Jinping’s address at AIIB inauguration ceremony’, *Xinhua*, January 16, 2016 [http://news.xinhuanet.com/english/china/2016-01/16/c\\_135015661.htm](http://news.xinhuanet.com/english/china/2016-01/16/c_135015661.htm) accessed on March 29, 2016

<sup>23</sup> *ibid*

<sup>24</sup> ‘Li Keqiang Attends and Addresses Inaugural Meeting of Board of Governors of Asian Infrastructure Investment Bank’, *Ministry of Foreign Affairs of the People’s Republic of China*, January 18, 2016 [http://www.fmprc.gov.cn/mfa\\_eng/zxxx\\_662805/t1333119.shtml](http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1333119.shtml) accessed on March 29, 2016

<sup>25</sup> ‘Wang Yi Holds Third Round of China-Australia Diplomatic and Strategic Dialogue with Foreign Minister Julie Bishop of Australia’, *Ministry of Foreign Affairs of the People’s Republic of China*, February 17 2016 [http://webcache.googleusercontent.com/search?q=cache:http://www.fmprc.gov.cn/mfa\\_eng/wjbxw/t1341748.shtml&gws\\_rd=cr&ei=gqJ\\_V6XCHcrfvATG55GYAQ](http://webcache.googleusercontent.com/search?q=cache:http://www.fmprc.gov.cn/mfa_eng/wjbxw/t1341748.shtml&gws_rd=cr&ei=gqJ_V6XCHcrfvATG55GYAQ) accessed on March 29, 2016



Djibouti, China and Djibouti finalised an agreement on the outpost in December. Meanwhile, authorities in Djibouti argued that Chinese outpost in Djibouti is aimed at helping fleets in the Horn of Africa. Chinese outpost is reportedly projected to be responsible for food, water and oil which, China argues, will mark its difference from the US bases which source weaponry.<sup>26</sup>

## TRACKING JAPAN

### **Eighth India-Japan energy dialogue hosted in Tokyo**

Tokyo hosted the eighth India-Japan energy dialogue on 12-14 January. Minister of State (IC) for Power, Coal and New & Renewable Energy, Piyush Goyal met with Minister of Economy, Trade and Industry, Motoo Hayashi and discussed several energy issues including sustainable energy growth and consumption, energy efficiency, challenges of climate change and cleaner and renewable sources of energy. The key goal of the dialogue was to augment technology cooperation for the benefit of the mass at an affordable price. Besides the energy dialogue, Minister Goyal took part in a few interactive meetings involving the business community of both sides. The focus of these meetings were on issues concerning clean coal technologies and efficient coal based power generation, super-efficient appliances and LEDs, energy efficient petroleum refining-energy audit refineries, energy storage technologies and smart grids/smart meters. The Indian side was also accompanied by members of the business community.<sup>27</sup>

Several Japanese financial institutions including Sumitomo Mitsui Banking Corporation, Mizuho Bank, Bank of Tokyo Mitsubishi UGF, Japan International Cooperation Agency, Nippon Export & Insurance Investment and Japan Bank of International Cooperation and corporations like Sumitomo Corporation, Mitsubishi Hitachi Power Systems, Hitachi, JPOWER and Toshiba engaged in discussions with Minister Goyal. The focus of these meeting was to build a win-win partnership between the two countries in the energy sector.<sup>28</sup>

### **The 15<sup>th</sup> India-Japan joint coast guard exercise held in the Bay of Bengal**

The 15th India-Japan Joint Coast Guard Exercise- *Sahyog-Kaijin* was held in January in the Bay of Bengal. The objective was to enhance inter-operability and coordination between the two coast guards. From the Indian side several vessels including ICGS Samudra Paheredar, ICGS Sarang, ICGS Vishwast, ICGS Rajtarang, ICGS Rajkamal, Dornier Do 226 and chetak helicopters took part in the exercise. Meanwhile, Japanese side participated with JCGS Echigo and integral helicopter.<sup>29</sup> Both sides expressed their desire to further deepen cooperation between the two coast guards.

### **Prime Minister Abe accords priority to economy**

At his New Year's speech, Prime Minister Abe accorded priority to economic reforms and combating the structural

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<sup>26</sup> 'Outpost in Djibouti to help fleets', *China Daily*, February 5, 2016 [http://usa.chinadaily.com.cn/epaper/2016-02/05/content\\_23409025.htm](http://usa.chinadaily.com.cn/epaper/2016-02/05/content_23409025.htm) accessed on March 29, 2016

<sup>27</sup> 'India- Japan Energy Dialogue Held; Both Sides Discusses Wide Range of Issues Related to Energy Sector On the Sidelines of Energy Dialogue, Shri Piyush Goyal to Participate in Five Interactive Sessions Between the Indian and Japanese Companies', *Press Information Bureau Government of India Ministry of Power*, January 13, 2016 <http://pib.nic.in/newsite/PrintRelease.aspx?relid=134416> accessed on March 29, 2016

<sup>28</sup> 'Shri Piyush Goyal Meets Leading Japanese Financial Institutions and Business Houses; Appreciates Role Played by Various Japanese Financial Institutions in India's Infrastructure Sector', *Press Information Bureau Government of India Ministry of Power*, January 14, 2016 <http://pib.nic.in/newsite/PrintRelease.aspx?relid=134479> accessed on March 29, 2016

<sup>29</sup> 'India, Japan conduct joint exercise 'Sahyog-Kaijin' off Chennai coast', *The Hindu*, January 15, 2016 <http://www.thehindu.com/news/national/india-japan-conduct-joint-exercise-sahyogkaijin-off-chennai-coast/article8112017.ece> accessed on March 29, 2016

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challenges posed by an aging society. He underscored that 'Japan is no longer in deflation'.<sup>30</sup> He argued that there is 'steady progress in the vitalization of local regions' and growth of employment by over one million people and salaries are ascending. Abe outlined strong goals including a ¥600 trillion GDP, removing instances where citizens quit jobs to deliver nursing care to the elderly and increasing the birthrate to 1.8 children/woman. Drawing attention to Japan's term as a non-permanent member of the United Nations Security Council, he argued that Tokyo has the responsibility to safeguard international peace and combat the challenges posed by terrorism, poverty and development issues and climate change. Prime Minister Abe articulated that 2016 'will be a year in which Japan truly shines on the world's center stage'.<sup>31</sup>

### **Japan-UK foreign and defence ministers meeting held in Tokyo**

On January 8, the second Japan-UK Foreign and Defence Ministers' Meeting (2+2) was held in Tokyo. The meeting involved Japanese foreign minister Fumio Kishida and defence minister Gen Nakatani and their counterpart's Secretary of State for Foreign and Commonwealth Affairs Philip Hammond and Secretary of State for Defence Michael Fallon. Both sides discussed several issues including meticulously coordinating on supporting Japan-UK cooperation; threats from North Korea and adoption of a firm UNSC resolution, Pyongyang's human rights challenges and the abductions concern; counterterrorism; developments in the Middle East situation; and developments in the South and East China Sea. Both sides stressed the significance of rule-based international order. They argued that every dispute must be resolved peacefully in keeping with international law. In addition, they expressed their opposition to unilateral attempts to change the status quo. Both nations agreed that discussions on the Japan-UK Acquisition and Cross-Servicing Agreement (ACSA) should be finished at the earliest. They expressed the desire to work together with regard to defence equipment and technology, capacity-building including humanitarian assistance and disaster relief, maritime security, and cybersecurity.<sup>32</sup>

### **US-Japan joint bilateral drill held**

The annual US-Japan joint military drill, Iron Fist was held at Marine Corps Base Camp Pendleton between January 22 and February 26 where US Marines and Japanese Ground Self-Defense Force (GSDF) participated in field training exercise. With the aim of developing capability involving the defense of remote islands, Iron Fist allowed the GSDF to train for crucial tactics and combat skills in addition to bilateral coordination fundamentals with the US forces by sending out units to the US. About 310 GSDF staffs participated in the annual exercise from the Western Army Headquarters and the Western Infantry Regiment, along with 500 personnel joined from the I Marine Expeditionary Force's 11th Marine Expeditionary Unit of the US Marine Corps.<sup>33</sup>

### **Japan and Myanmar strengthen ties**

On January 25, Japanese foreign minister, Fumio Kishida met with his Myanmar counterpart Wunna Maung Lwin for the Japan-Myanmar Foreign Ministers' meeting. Stressing on the elevated levels of cooperation between the two countries at the 60<sup>th</sup> year of diplomatic relations, Kishida hailed the establishment of the Thilawa Special Economic Zone in September and further articulated Japanese desire for Myanmar's support towards its investments. There was

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<sup>30</sup> 'New Year's Reflection by Prime Minister Shinzo Abe', *Kantei*, January 1, 2016, [http://japan.kantei.go.jp/97\\_abe/statement/201601/newyear2016.html](http://japan.kantei.go.jp/97_abe/statement/201601/newyear2016.html) accessed on March 29, 2016

<sup>31</sup> *ibid*

<sup>32</sup> 'Second Japan-UK Foreign and Defence Ministers' Meeting ("2+2")', *Ministry of Foreign Affairs Japan*, January 8, 2016 [http://www.mofa.go.jp/press/release/press4e\\_001000.html](http://www.mofa.go.jp/press/release/press4e_001000.html) accessed on March 29, 2016

<sup>33</sup> 'Special Feature- Iron Fist -Field Training Exercise with the U.S. Marine Corps in the United States', *Japan Defence Focus*, No 75 April 2016



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discussion on smooth implementation of Japan's aid projects in Thilawa Special Economic Zone and Dawei Special Economic Zone. Lwin argued that as the bilateral relations is reaching new heights, Myanmar would appreciate continued Japanese cooperation in the Dawei Special Economic Zone which will help the entire region. Moreover, both leaders exchanged views on important regional matters.<sup>34</sup>

### **Prime Minister Abe attends the National Rally on Northern Territories Day**

On February 7, Prime Minister Abe attended the National Rally in Tokyo. It is marked as the Northern Territories Day. This annual event is aimed at intensifying the demand for returning the Northern Territories. Abe argued that Japan is waiting for over 70 years. Underscoring the progress in the diplomatic process, Abe said that Japan is closely working with President Putin's administration to advance the coordination of schedules for their meeting. He vowed to 'work towards a final resolution to the Northern Territories issue through dialogues at the summit level'. He urged for settlement of this contested issue in keeping with the basic policy of solving the concern of the attribution of the Four Northern Islands and 'concluding a peace treaty with Russia.'<sup>35</sup>

### **Japan-Egypt summit meeting**

On February 29, Prime Minister Shinzo Abe had a summit meeting with President Abdel-Fattah in Tokyo. The joint statement, 'Cooperation for the Leap towards a New Stage in Bilateral Relations', stressed the significance of the first political and security dialogue among ministries of foreign affairs and security authorities, and defense dialogue between the two nations. Both nations deepen cooperation in several areas including private investment in electricity, energy and the Suez Canal area development. Japan declared its intent to give fresh ODA loan to the Electricity Sector Rehabilitation and Improvement Project with the intention of boosting the capacity of electricity generation of current power stations. There was Exchange of Notes for the Electricity Distribution System Improvement Project and the Hurgada Photovoltaic Power Plant Project. Besides, both leaders agreed to cooperate in other areas such as coal-fired power plants, renewable energy, electricity transmission and distribution system, and drilling natural gas rig in Mediterranean Sea. In addition, both leaders decided to cooperate in education sector by framing the Egypt-Japan Education Partnership (EJEP). Both sides decided to support Egypt-Japan University of Science and Technology (E-JUST).<sup>36</sup>

## **TRACKING THE KOREAN PENINSULA**

### **North Korea tests its fourth nuclear weapon**

On 6 January, North Korea stated that it has tested its fourth nuclear weapon at Puungye-ri nuclear test site, which is situated around 50 km from Kilju city.<sup>37</sup> Furthermore, on 7 February, Pyongyang declared that it launched Kwangmyongsong-4 satellite into the space.<sup>38</sup> The US and South Korea viewed the tests as 'ballistic missile' tests, as

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<sup>34</sup> 'Japan-Myanmar Foreign Ministers' Meeting', *Ministry of Foreign Affairs Japan*, January 25, 2016 [http://www.mofa.go.jp/press/release/press4e\\_001003.html](http://www.mofa.go.jp/press/release/press4e_001003.html) accessed on March 29, 2016

<sup>35</sup> '2016 National Rally to Demand the Return of the Northern Territories', *Kantei*, February 7, 2016 [http://japan.kantei.go.jp/97\\_abe/actions/201602/07article1.html](http://japan.kantei.go.jp/97_abe/actions/201602/07article1.html) accessed on March 29, 2016

<sup>36</sup> 'Japan-Egypt Joint Statement Cooperation for the leap towards a new stage in bilateral relations', *Ministry of Foreign Affairs Japan*, February 29, 2016 [http://www.mofa.go.jp/me\\_a/me1/eg/page4e\\_000386.html](http://www.mofa.go.jp/me_a/me1/eg/page4e_000386.html) accessed on March 29, 2016

<sup>37</sup> 'Another nuclear test announced by North Korea: Searching for a plan of action?', *SIPRI*, January 11, 2016 <https://www.sipri.org/commentary/expert-comment/2016/another-nuclear-test-announced-north-korea-searching-plan-action> accessed on March 29, 2016

<sup>38</sup> 'North Korean rocket puts object into space, angers neighbors, U.S.', *Reuters*, February 8, 2016, <http://www.reuters.com/article/us-northkorea-satellite-idUSKCN0VG00H> accessed on March 29, 2016

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according to them, the type of rocket used to launch the satellite could also be used to fire a long-range missile. North Korean tests have made countries of the region anxious of North Korea's nuclear ambitions. On January 6, South Korean President Park Geun-hye, in a National Security Council meeting at Cheong Wa Dae argued that Seoul will coordinate and cooperate with the international community 'to ensure that North Korea will pay the price for conducting a new nuclear weapons test'.<sup>39</sup> Furthermore, she underscored that the latest nuclear test is 'not only a grave provocation to our security, but is also a threat to our existence and future'.<sup>40</sup> South Korea called for imposition of stronger sanctions on Pyongyang. Earlier South Korea stated that it will work with its allies and member countries in the six-party talks in order to ensure Northeast Asian security.

Meanwhile, the US Secretary of State John Kerry 'unequivocally condemned' the provocative act of Pyongyang. He emphasised that 'the U.S. is committed to defending the American people and honoring our security commitments to our allies in the region'.<sup>41</sup> The Non-Proliferation and Disarmament Initiative (NPDI) on January 12 issued a joint statement stressing the development is a violation of pertinent UNSC resolutions in addition to the joint statement of the six-party talks and exemplifies a serious challenge to the international disarmament and non-proliferation regime centered on the NPT.<sup>42</sup> Meanwhile, Seoul and Beijing held high-level discussions over their divergence of approach on the method to deal with the latest development. While, South Korea wants strong sanctions on the North, China has been unenthusiastic to adopt strong sanctions targeting North Korea.<sup>43</sup>

### **South Korea halts operation at the Kaesong industrial complex**

South Korean media suggested that 'pressure from the United States, Japan, China and Russia forced South Korea' to suspend economic engagement with Pyongyang following the nuclear test in January. Furthermore, a report in the *Korea JoongAng Daily* suggested that Washington called for shutting down the Kaesong Industrial Complex, which was established in 2000 and employed a few thousand North Korean workers. Besides, Japanese diplomats argued that sanctions would be ineffective unless Kaesong, through which \$120 million was channelised in 2015, is shut down. The objective was to convince that North Korea cannot have 'access to the international economic system' and 'economic or financial aid' if Pyongyang carries on nuclear and missile programs violating UNC resolutions.<sup>44</sup> Meanwhile, Chinese foreign ministry urged easing of tensions following Seoul's decision to stop operations in the industrial park.<sup>45</sup>

### **THAAD discussion begins**

The US and South Korea began discussions on deployment of Terminal High Altitude Area Defense (THAAD) system following the nuclear test by North Korea. The Ministry of National Defense confirmed that a joint working group is established and discussing relevant issues such as suitable sites and expenditure for the deployment of THAAD.

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<sup>39</sup> 'Pyongyang to Pay Price for Nuclear Test: President', *Ministry of Foreign Affairs Republic of Korea*, January 13, 2016 <http://news.mofa.go.kr/enepaper/mainview.php?mvid=2179&master=> accessed on March 29, 2016

<sup>40</sup> *ibid*

<sup>41</sup> 'On the North Korean Nuclear Test, Press Statement John Kerry Secretary of State Washington, DC', *U.S. State Department*, January 6, 2016 <http://www.state.gov/secretary/remarks/2016/01/250994.htm> accessed on March 29, 2016

<sup>42</sup> 'NPDI Joint Statement on the nuclear test by North Korea on Jan 6', *Ministry of Foreign Affairs Japan*, January 13, 2016 [http://www.mofa.go.jp/dns/ac\\_d/page4e\\_000369.html](http://www.mofa.go.jp/dns/ac_d/page4e_000369.html) accessed on March 29, 2016

<sup>43</sup> 'S. Korea, China hold high-level talks amid rift on N. Korea', *Yonhap News Agency*, February 16 2016 [http://www.koreatimes.co.kr/www/news/nation/2016/07/120\\_198088.html](http://www.koreatimes.co.kr/www/news/nation/2016/07/120_198088.html) accessed on March 29, 2016

<sup>44</sup> KIM HYONG-GU, SER MYO-JA, 'Pressure from abroad led to Kaesong's closure', *Korea JoongAng Daily*, February 12, 2016 <http://koreajoongangdaily.joins.com/news/article/Article.aspx?aid=3014988> accessed on March 29, 2016

<sup>45</sup> 'China urges easing of tensions over suspension of Gaesong complex', *Yonhap News Agency*, February 15, 2016 [http://www.koreatimes.co.kr/www/news/nation/2016/07/120\\_198023.html](http://www.koreatimes.co.kr/www/news/nation/2016/07/120_198023.html) accessed on March 29, 2016

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This is expected to escalate tensions on the Peninsula since Beijing and Moscow have expressed their reservations over any such deployment. The US plans to deploy advanced missile defense system to defend its ally South Korea and US facilities against Pyongyang's nuclear and missile threats. China had summoned South Korean ambassador Kim Jang-soo to register protest against the likelihood of THAAD deployment. Chinese foreign ministry argued that in seeking ones national security, a country should not compromise other nation's national interest. Meanwhile, Russia foreign ministry has also expressed apprehension. South Korean defence ministry indicated that \$1.2 billion will be needed to operate one THAAD unit.<sup>46</sup> While Seoul will be in charge of the site and additional infrastructure, Washington will endure the deployment expenses.

### **President Park Geun-hye's proposal of five-party talks rejected by Russia and China**

Following the latest nuclear test by North Korea, South Korean President Park Geun-hye proposed holding a five-party nuclear talks excluding North Korea, as an innovative alternative to the stuck six-party talks. However, China and Russia has discouraged such idea of excluding North Korea in a 'six minus one' framework. Russian authorities argued that isolating North Korea, just as seen in the case of Iran, will not pay off and supported resumption of six-party talks.<sup>47</sup> While the US has articulated its support for five-party talks aimed at denuclearising the Korean Peninsula, China opposed the idea and called for recommencing the six-party talks with North Korea at an early date. The six-party talks are stalled since 2008 as Pyongyang urged for unconditional dialogue and maintains that it should participate with the standing of a nuclear power even though South Korea and the US wants North to demonstrate its commitment to relinquish its nuclear program prior to the resumption of such talks.<sup>48</sup>

### **Japan-South Korea comfort woman agreement stumbles on the statue issue**

Implementation of the comfort woman agreement, reached between South Korea and Japan in December, is affected by the issue of demolishing the comfort woman statue, located in the vicinity of the Japanese embassy in Seoul. While Tokyo has maintained that Korea should get rid of the statue as a pre-condition for the agreement to move forward, Korea however has reservations on the same. Japan has agreed to provide \$84.4 million to establish a foundation intended to help the surviving sufferers. Korea has argued that since civilians have built the statue, government cannot interfere in the question involving the statute. Japanese foreign ministry indicated that Tokyo is yet to make a timeline for the payment of compensation since the statute issue has to be resolved. Reports in the Japanese media indicated that members of the ruling Liberal Democratic Party have appealed to the South Korean government to demolish the statue at an early date. Meanwhile, Sankei Shimbun and Fuji News Network has conducted a survey in January which reflected that 64.1 per cent of respondents want Japan to offer compensation only after the statue is removed. Japanese Prime Minister Shinzo Abe argued that there is mutual trust in the bilateral relations and underscored the importance of carrying out respective promises concerning the agreement reached in December.<sup>49</sup>

### **South Korea protests Japan's sovereignty claims over Dokdo Island**

Japanese foreign ministry reiterated its claim on Takeshima/Dokdo Islands and argued that Japan will endorse its sovereignty over the contested islets. Seoul has reverted back by calling Japanese claims as 'unfair'. The foreign ministry

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<sup>46</sup> Rachel Lee, 'Korea, US will begin THAAD talks this month', *The Korea Times*, February 10, 2016 [http://www.koreatimes.co.kr/www/news/nation/2016/07/120\\_197651.html](http://www.koreatimes.co.kr/www/news/nation/2016/07/120_197651.html) accessed on March 29, 2016

<sup>47</sup> 'Russian Foreign minister: Five-party nuclear talks not a good idea', *Yonhap News Agency*, January 27, 2016, [http://www.koreatimes.co.kr/www/news/nation/2016/07/120\\_196455.html](http://www.koreatimes.co.kr/www/news/nation/2016/07/120_196455.html) accessed on March 30, 2016

<sup>48</sup> Rachel Lee, 'China, Russia oppose five-way talks', *The Korea Times*, January 24, 2016, [http://www.koreatimes.co.kr/www/news/nation/2016/07/120\\_196200.html](http://www.koreatimes.co.kr/www/news/nation/2016/07/120_196200.html) accessed on March 30, 2016

<sup>49</sup> Yi Whan-woo, 'Sex slavery deal stalls on statue', *The Korea Times*, January 27, 2016, [http://www.koreatimes.co.kr/www/news/nation/2016/07/120\\_196527.html](http://www.koreatimes.co.kr/www/news/nation/2016/07/120_196527.html) accessed on March 30, 2016

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called upon Japan to give up its ‘reckless claim to Dokdo, which is South Korea’s indigenous territory’.<sup>50</sup> Meanwhile, the US embassy in Seoul published a map on the website that excluded South Korea’s Dokdo Islands and called the waters between the Peninsula and Japan as Sea of Japan.<sup>51</sup> Seoul has urged the international community to use ‘East Sea’ over ‘Sea of Japan’. The US State Department uses Sea of Japan.

### **South Korea and the US conducts several joint exercises**

South Korean and the US Navy conducted a three-day drill in the East Sea aimed at improving the joint combat readiness against Pyongyang’s possible submarine attack. While the US participated with USS North Carolina attack submarine, South Korea brought in its Kim Jwa-jin. Both navies focused on strengthening their capabilities in detecting, distinguishing, tracing and attacking enemy submarines.<sup>52</sup> South Korea has also conducted a joint air force drill in February near Pocheon and Osan with the US on special wartime infiltration operations to augment the combined defense posture after North Korea’s latest missile test. The exercise focused on training required to covertly land on enemy ground and lead aircraft, troops and military supplies via safe passage.<sup>53</sup> South Korea and the US held a joint exercise called RSOI (Reception, Staging, Onward Movement and Integration) with the objective of quickly sending off US troops to the Peninsula in case of a contingency. The drill involving South’s second Operations Command and the eighth US Army urged for providing backing for US’s soldiers in the Korean peninsula in case of war.<sup>54</sup>

### **South Korea to develop its first indigenous fighter jet**

South Korea will develop its first indigenous fighter jet with the help of technology offered by Lockheed Martin. Korean Defense Acquisition Program Administration (DAPA) and Korea Aerospace Industries (KAI) signed a contract. The agreement between DAPA and KAI happened after Washington permitted transfer of 21 technologies used in Lockheed Martin’s F-35 to Seoul. The fighter jets are expected to be developed by 2026 which will substitute the old fleet of F-4s and F-5s. By 2026, KAI will reportedly produce six test planes and finish system development for the indigenous jets. KAI is about to choose an engine provider and focus on design and component production.<sup>55</sup>

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<sup>50</sup> ‘South Korea denounces Japan for Dokdo claim’, *The Korea Times*, January 22, 2016 [http://www.koreatimes.co.kr/www/news/nation/2016/07/120\\_196126.html](http://www.koreatimes.co.kr/www/news/nation/2016/07/120_196126.html) accessed on March 30, 2016

<sup>51</sup> Yi Whan-woo, ‘US embassy excludes Dokdo on online map’, *The Korea Times*, January 25, 2016 [http://www.koreatimes.co.kr/www/news/nation/2016/07/120\\_196286.html](http://www.koreatimes.co.kr/www/news/nation/2016/07/120_196286.html) accessed on March 30, 2016

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# ACTIVITIES OF THE CENTRE (JANUARY-FEBRUARY 2016)

- IDSA-NIDS annual bilateral dialogue was hosted on 23 February 2016. The three member NIDS delegation was led by Prof. Marie Izuyama, Head, Asia and Africa Division. The main topics of discussion were: India-Japan relations, China, Asia-Pacific security, and other regional security issues. Shri Jayant Prasad, DG, IDSA presided over the dialogue. A special remark was delivered by Ms. Deepa Gopalan Wadhwa, India's Former Ambassador to Japan.
- East Asia Centre organised a lecture by Prof. Jia Haitao on 'China's One Belt, One Road (OBOR) Initiative and India' on 12 February 2016. Jia Haitao is Professor of Political Science and International Relations at Jinan University, Guangzhou. He is also the Director of Chindian Studies at the Jinan University, Guangzhou.
- A day-long workshop on China Year Book 2015 was hosted by the East Asia Centre on February 5, 2016.
- The East Asia Centre organised a talk by Prof. Devesh Kapur on 'China's Role in the Asian & Global Financial Architecture' on 27 January, 2016.
- Dr. Chishin Chang, Assistant Research Fellow, Center for Asia Policy, National Tsing Hua University gave a presentation on 'China's Strategy towards Indian Ocean: Where is Xi Jinping Leading China to?' On 21 January 2016.
- Prof. Andrew J. Nathan delivered a talk on 'China Policy in the Next U.S. Administration' on 14 January 2016.
- IDSA held a book discussion on 'China behind the Miracle' (Bloomsbury, 2015) authored by Ms. Sumita Dawra on 4 January 2016.

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

## Disclaimer

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