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Turbulent South China Sea Waters: India, Vietnam and China - S.D. Muni

The troubled waters of South China Sea have started spilling over on India's relations with its East Asian neighbours. Two recent incidents underline this spill-over. One was on 22 July 2011, when India's war ship INS Airavat was cautioned by China when it was about 45 nautical miles off the Vietnam coast after paying a friendship visit. The second has been in September 2011, when oil exploration by India's public sector company, Oil and Natural Gas Commission Videsh (OVL) in Vietnam's territorial waters was taken objection to by China. Both the incidents have been played out with caution by the Chinese and Indian official circles. On the INS Airavat incident, the Chinese foreign office left the incident by reiterating its claims in the South China Sea but saying that it is looking for information on the incident through 'competent authorities'. The Indian side underlined that there was no confrontation involved, while making it clear that India 'supports freedom of navigation in international waters including South China Sea...in accordance with the accepted international law...to be respected by all'.

MAJOR STATEMENTS

Joint Statement of the 14th ASEAN-China Summit to Commemorate the 20th Anniversary of Dialogue Relations in Bali, Indonesia, 18 November 2011

Joint Statement of the 3rd ASEAN-U.S. Leaders' Meeting in Bali, Indonesia, 18 November 2011

MAJOR EVENTS

- In July, China and ASEAN nations reached series of agreements
- In August, the US and Vietnam conducted a joint military exercise
- In October, India and Vietnam agreed to a joint oil and gas exploration

BIBLIOGRAPHY

The section provides a list of recent publications on the South China Sea disputes:

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MEDIA WATCH

China, ASEAN countries hold meeting on South China Sea

China and member countries of the Association of Southeast Asian Nations (ASEAN) held a three-day meeting of senior officials on the implementation of the Declaration on the Conduct of Parties in South China Sea, in Beijing from 13 to 14 January. All the participants had in-depth discussion and reached a series of consensus, said a press release posted on the Chinese Foreign Ministry's official website. The meeting concluded that the general situation of South China Sea is peaceful and stable, and appreciated the positive efforts from all concerned sides. The meeting regarded 2011 as a fruitful year with positive progress made in implementing the declaration, and reached consensus on the future works, including to speed up specific cooperation projects, and to host seminars on maritime disaster-relief, environment, rescue and biology research. All the parties agreed to set up experts committees on maritime scientific research, environmental protection, security and rescue, and on the crackdown on cross-border crimes, and to better utilize the China-ASEAN fund on maritime cooperation.

Source: *Xinhua*, 15 January, 2012.

ASEAN FMs end meeting with agreements on regional, international issues

Association of Southeast Asian Nations (ASEAN) foreign ministers concluded a meeting in Siem Reap, Cambodia, on 11

January with agreements on a number of regional and international issues of common concern, said a press release issued after the event. Those issues included the Korean Peninsula, the implementation of the declaration on the Conduct of Parties in the South China Sea (DoC), the progress of democratization in Myanmar, and others, according to the press release. On the South China Sea, the foreign ministers stressed on the need to intensify efforts to ensure the effective and full implementation of the DoC in order to maintain peace, security and stability in the South China Sea, said the press release.

Source: *Xinhua*, 11 January, 2012.

Philippines ready to validate claim to Spratlys in UN forum

The Philippines is prepared to validate its claim to the Spratlys and other territories in the West Philippine Sea under the United Nations Convention on the Law of the Sea (Unclos) and is inviting China to do the same with its own claims, according to Foreign Secretary Alberto del Rosario. All conflicting claims should be resolved based on the rules-based regime of the Unclos if the disputes in the West Philippine Sea (South China Sea) are to be peacefully and finally settled, Del Rosario said in a press statement on 10 January. The foreign secretary was reacting to a Chinese foreign ministry statement which dismissed as “groundless” the Philippines’ claims that the Chinese Navy had entered Philippine waters. In his statement, Del Rosario said the Philippines considered “our valuable and long-

standing friendship with China to be one that is based on mutual respect and equality.” “The Philippines is prepared to validate our claims under Unclos and we cordially invite China to join us in endeavoring to validate its claims,” he said.

Source: *Philippine Daily Inquirer*, 11 January, 2012

South China Sea issues flare yet again as Manila alleges Chinese incursion

The Philippines has protested to China over three Chinese vessels that allegedly intruded into its waters in last December, in the latest flaring of tensions over disputed South China Sea regions. The Philippine government expressed its “serious concerns” to the Chinese Embassy after the three vessels, including a Chinese navy ship, were sighted near Sabina (Escoda) Shoal in the South China Sea on Dec. 11 and 12, said Foreign Secretary Alberto del Rosario on 8 January. Regional military commander, Lt. Gen. Juancho Sabban said a Philippine navy patrol ship and an air force plane kept watch from a distance until the Chinese vessels left the country's territorial waters. The three vessels apparently came from the Chinese-occupied Mischief Reef in the disputed Spratly Islands then cruised into Philippine waters on their way back to China as part of a regular shifting of forces, he said. “We were watching them. They did not drop anchor or unload construction materials and appeared to be just passing through”, Sabban told The Associated Press. Del Rosario said

the new Chinese intrusions violated a 2002 accord between China and the Association of Southeast Asian Nations that discourages claimant countries to the South China Sea's disputed Spratly Islands from taking aggressive steps that could ignite tension or confrontations.

Source: *The China Post*, 9 January, 2012.

China says Philippines' protest on intrusions 'baseless'

China said accusations by the Philippines that three Chinese vessels entered its waters are “groundless.” Chinese Foreign Ministry spokesman Liu Weimin told reporters on 9 January that China has indisputable sovereignty over the area. He said China won't accept the “groundless accusations” from the Philippines and expressed hopes the Philippines “won't create something from nothing.” “The communication between our two sides is always there”, Sun Yi, deputy chief of political section and spokesman for the Chinese embassy, said in Manila. In the wake of the reported intrusions, the Philippine Navy said it will deploy – for the first time – the newly commissioned BRP Gregorio del Pilar to the West Philippine Sea. The reconditioned World War II era US coast guard cutter is based in Palawan. “This will be her first voyage in the West Philippine Sea”, Commodore Rustom Peña, commander of Naval Forces West, said. But he stressed the coming deployment was routine and not a show of force.

Source: *The Philippine Star*, 10 January, 2012.

OVL to resume drilling in South China Sea

As part of its efforts to assert India's presence in the South China Sea, state-owned ONGC Videsh Ltd (OVL) will resume drilling in the disputed hydrocarbon block No. 128. “We are going ahead with our drilling plan”, said a top executive at Oil and Natural Gas Corp. Ltd, who declined to be named. OVL is the overseas arm of the Indian explorer. The drilling was suspended last year after the exploration team was unable to tether the drill. China, which disputes sovereignty over the waters with Vietnam, had earlier objected to the presence of an Indian vessel surveying the area. OVL has now identified a suitable technology to anchor the rig to the seabed. “We are scouting for a rig for the same to drill one well in the block that will require a window of 45 days”, an OVL executive said, requesting anonymity. “The Chinese had earlier threatened our survey vessel. We had then asked the government of Vietnam and PetroVietnam for clarification and were told that the area was in their territorial waters. We had also asked MEA (ministry of external affairs), who told us that there was no reason to worry,” said the OVL executive. “The rig for block 128 started drifting as the sea bed was hard and the anchor didn't settle.” “Before we signed the MoU (memorandum of understanding), there were media reports on the growing tension in the area,” said the OVL executive. Questions emailed to the embassies of China

and Vietnam in New Delhi and the MEA remained unanswered.

Source: *Live Mint*, 8 January, 2012

China to launch first deepwater survey in South China Sea

China will soon put its first deepwater survey vessel into use in the South China Sea, an official with China Oilfield Services Ltd (COSL) said—part of an effort by the world's top energy consumer to tap its underexplored deep waters. Ocean Oil 708, with a capacity to work in water depths of 3,000 metres and a drilling depth of 600 metres below the seabed, is one of the deepwater equipment that leading offshore oil and gas developer CNOOC planned to expand its deepwater capability. The vessel is owned by COSL, a specialised oil service unit of China National Offshore Oil Corp (CNOOC). The COSL official said the vessel will be used in early-stage exploration works such as geoprospecting, but declined to specify which area of the South China Sea the vessel would be firstly employed in. CNOOC Ltd, which runs almost all of CNOOC's oil and gas production assets, is preparing to drill its first-ever deepsea well in the northern part of the South China Sea around the beginning of 2012 by using Ocean Oil 981, China's first home-made semi-submersible deepsea rig. China has so far drilled less than 15 deepsea exploration wells, all of which have been done by CNOOC's foreign partners. Baoji Oilfield Machinery Co, a unit of top Chinese oil firm CNPC, manufactured the drilling system

for the Ocean Oil 708, the China Petroleum Daily reported.

Source: *Reuters*, 26 December, 2011

Philippine Navy deploys warship to Palawan waters

The Philippine Navy deployed its newly-acquired warship BRP Gregorio Del Pilar to the West Philippine Sea, also known as South China Sea, on 23 December. The Navy's biggest and most modern warship to date, the BRP Gregorio Del Pilar (PF15) will provide security to the Malampaya natural gas-to-power project off Palawan. It will also "defend the country's territory and exclusive economic zone in the West Philippine Sea", where the Philippines has overlapping claims with Vietnam and China. The ship was deployed at 6 p.m. after simple send-off ceremonies led by Philippine Fleet Commander, Rear Admiral Jose Luis Alano. Navy spokesperson Lt. Col. Omar Tonsay said BRP Gregorio Del Pilar would join BRP Rajah Humabon (PF11) and BRP Federico Martir (PG385) in seeing to the security of the Malampaya project. He said other ships were also deployed under the Naval Forces West under the command of Commodore Joseph Rostum Peña to patrol what Malacañang has called the West Philippine Sea and areas surrounding Palawan.

Source: *Philippine Daily Inquirer*, 25 December, 2011

Vietnam, China agree to boost ties

Vietnam and China agreed to comprehensively boost strategic

cooperation during Chinese Vice President Xi Jinping's three-day visit to Hanoi from December 20-22. The two sides have agreed to increase the frequency of visits and contacts between senior leaders and to maintain close cooperation between the two Parties, the Vietnamese Ministry of Foreign Affairs said in a statement. Referring to the East Sea (South China Sea) disputes at the meeting, Vietnam affirmed that it is ready to solve differences through peaceful negotiations, respecting the concern and the legitimate interests both nations have in maintaining peace, stability, friendship and cooperation in the region. The solution will be based on common perceptions agreed upon by the senior leaders of both countries and international law, specifically the 1982 UN Convention on the Law of the Sea and the Declaration on the Conduct of Parties in the South China Sea (DOC). The two sides agreed to instruct their negotiation delegations to strictly implement the Agreement on fundamental principles, guiding settlement of issues on the sea. The two countries also signed cooperative documents on health, information and communications, between respective youth leagues and agreements on China's provision of preferential credit loans to bilateral economic cooperation projects during Xi's visit. Xi met with Party General Secretary Nguyen Phu Trong, President Truong Tan Sang, National Assembly Chairman Nguyen Sinh Hung, Vietnamese Vice President Nguyen Thi Doan and Le Hong Anh, Politburo member and permanent member of

the Party Central Committee Secretariat.

Source: *Thanh Nien News*, 22 December, 2011

South China Sea conflict to have global implications: Indian Navy Chief

With the economic interests of many nations tied to stability in the region, any conflict in the South China Sea would have major implications for the world at large, Navy Chief Admiral Nirmal Verma has warned. Terming the South China Sea, where India has oil and gas exploration rights, as an 'area of significant concern', Verma has called for deliberations on a security architecture that would be best suited for peace and stability in the Asia Pacific region. "The South China Sea, in particular, is an area of significant concern...the developments in the South China Sea and its outcomes will have major implications not only for the countries in the region, but for the world at large, as many nations have considerable economic interests here," Verma said in his keynote address at a National Security Seminar held in New Delhi on 17 November. The Chief Admiral said a 'certain edginess' in relations between countries in this region has been observed. This points to the absence of institutional arrangements to avoid conflict. "The potential for conflict in the South China Sea and the instability of the Korean Peninsula have made policy makers, scholars and analysts more aware of the region's shortcomings in terms of institutional arrangements to

resolve potential crises,” Verma said.

Source: *The Indian Express*, 18 November, 2011.

A new book on ‘Vietnam and the East Sea’ published

The new book entitled ‘Vietnam and the East Sea’ (South China Sea) aims to help the domestic and international public better understand the real situation in the East Sea, around Hoang Sa (Paracel) and Truong Sa (Spratly) islands, as well as Vietnam’s views on solving related disputes. The 40-page book, published by the Vietnam Peace and Development Foundation, features the East Sea-related issues in a comprehensive way. It highlights Vietnam’s policies on settling disputes in the East Sea through peaceful means, and promoting the implementation of the Declaration on the Conduct of Parties in the East Sea (DOC), and the formulation of a Code of Conduct in the East Sea (COC). The book also reflects Vietnam’s stance on the ‘U-shape’ line demand and the activities of Vietnamese fishermen in the Hoang Sa (Paracel) area. In addition, the book updates the readers on the main contents of the guiding agreement on solving marine-related issues between Vietnam and China, which was signed on October 11, 2011.

Source: *Dantri International News*, 12 December, 2012.

COMMENTARY

Turbulent South-China Sea Waters: India, Vietnam and China

*S.D. Muni*¹

*The troubled waters of South-China Sea have started spilling over on India’s relations with its East Asian neighbours. Two recent incidents underline this spillover. One was on 22 July 2011, when India’s war ship INS Airavat was cautioned by China when it was about 45 nautical miles off the Vietnam coast after paying a friendship visit. The second has been in September 2011, when oil exploration by India’s public sector company Oil and Natural Gas Commission Videsh (OVL) in Vietnam’s territorial waters was taken objection to by China. Both the incidents have been played out with caution by the Chinese and Indian official circles. The INS Airavat incident involved a radio message to the Indian ship that it was in Chinese territorial waters which was claimed later to have not been reported to the respective foreign offices. The Chinese foreign office left the incident by reiterating its claims in the South China Sea but saying that it is looking for information on the incident through ‘competent authorities’.² The Indian side underlined that there was no confrontation involved, while making it clear that India ‘supports freedom of navigation in international waters including South China Sea...in accordance with the accepted international law...to be respected by all’.³ The issue had actually been triggered by reports in the western media, *The Financial Times of London* (1 September, 2011).*

China and India’s Oil Exploration

The second incident of oil exploration invoked comparatively greater notice in the respective official circles. China’s objections were raised at two levels; milder by officials and harsher by the officially patronised media. The Chinese Foreign Ministry spokesperson, in response to a pointed media query on the ONGC oil exploration said: ‘Our consistent position is that we are opposed to any country engaging in oil and gas exploration and development activities under Chinese jurisdiction’. Claiming its ‘indisputable sovereignty over the South China Sea and its Islands’, the spokesperson stressed: ‘We hope foreign countries will not get involved in the dispute.’ For the countries outside the region, we hope they will respect and support countries in the region to solve this dispute through bilateral channels.’⁴ It may, however, be noted that China did not name India in its statement and feigned ignorance if India was involved in the oil exploration project.

At the media level, officially sponsored *Global Times* (16 September, 2011) came out with strong comments describing India’s deal with Vietnam for oil exploration as a ‘serious political provocation’, asking the Chinese government to use ‘every means possible’ to stop this. A day earlier, its editorial projected India’s deal with Vietnam for oil exploration as reflecting India’s rising ambitions and a move to ‘counter China’s behaviour in the Indian Ocean’. It further added: ‘We should not leave the world with the impression that China is only focused on economic

development, nor should we pursue the reputation of being a peaceful power which would cost us dearly.⁵ Another article in People's Daily cautioned saying: 'It's not worthwhile for Vietnam and India to damage the greater interests of peace, stability and economic development between China and Vietnam, China and India, and in the whole region, for the sake of these small interests in the South China Sea.'⁶ In yet another commentary by Li Hongman, Xinhua on 26 September, 2011, quoting the same People's Daily commentary of 20 September, 2011, described India's oil exploration cooperation as 'a blunt trampling upon China's sovereignty'. India's such actions, in collaboration with countries like Japan, were seen as retaliation to the Chinese infrastructure projects in Pakistan-held Kashmir and the Chinese so-called 'String of Pearls' strategy of 'venturing into India's neighbourhood'. All this, the commentator said will 'strain the testy Sino-Indian ties and will eventually bode ill for its own interests'.⁷

The mismatch between China's official position and the media assertions perhaps reflected a tension between the hardliners and the pragmatists within the Chinese establishment. The *Global Times* in another commentary by Long Tao posted on 29 September, 2011, again took a hard position on the South China Sea issue. Viewing the dispute as being provoked by the outside powers, the commentary said:

No South China Sea issue existed before 1970s. The problem only occurred after North and South Vietnam were reunified in 1976 and China's Nansha and Xisha Islands then became the new country's target. Unfortunately, though hammered by China in the 1974 Xisha Island battle and later the Sino-Vietnamese war in 1979, Vietnam's insults in South China Sea remained unpunished. Today...it seems all the countries around the area are preparing for an arms race. *Singapore brings home high-end stealth aircraft while Australia, India, and Japan are all stockpiling arms for a possible 'world class' battle.* (Italics added). The US provoking regional conflict itself did not hesitate to meet the demands of all the above. It is very amusing to see some of the countries vow to threaten or even confront China with force just because the US announced that it has 'returned to Asia'...Everything will be burned to the ground should a military conflict break out. Who will suffer most when western oil giants withdraw? But out there could be an ideal place to punish them. Such punishment should be restricted only to Philippines and Vietnam who have been acting extremely aggressive these days.⁸

The notable aspect of this commentary was that it also published comments from readers which were extremely critical of this article. One comment said: 'I don't know why this article was given the green signal to be published. The thoughts of the author are reckless, fuelled by extreme hatred and radicalism'. Another comment said: 'This is written proof that China's

insistence that its rise is peaceful is farcical.' Yet another added: 'I wonder if somebody is in charge in China? Cannot be, because Chinese diplomats say one thing and Chinese military persons say another. This raises fear because China [is] supposed to be [a] great power. I think military will overthrow party'.⁹ Such comments could not have been allowed without someone in the establishment of the newspaper and linked with the party or the government winked at them. Thus, there are clearly two positions on the issue. The possibility of one position to camouflage the other also cannot be ruled out.

Like that of China's, India's official reaction was also guarded. The External Affairs spokesperson said: 'Our cooperation with Vietnam or any other country is always as per international laws, norms and conventions...cooperation with Vietnam in the area of energy and to secure India's energy security is very important. There are a number of Indian companies already operational and we are looking at further enhancing the cooperation in the years ahead'. The spokesperson described the China-Vietnam dispute in South China Sea as strictly bilateral which needed to be addressed within the framework of International Law and added that 'in the meanwhile, it is in public knowledge that we are going ahead with expanding our ties with Vietnam'.¹⁰ India's Foreign Minister S.M. Krishna, who happened to be in Vietnam attending the 14th India-Vietnam Joint Commission Meeting reiterated that India's public sector

company, the OVL (ONGC Videsh Limited), will go ahead with oil and gas exploration in Vietnam's off shore blocks being disputed by China as part of its Exclusive Economic Zone (EEZ). Indian newspaper reports on Krishna's talks in Vietnam quoting the 'official sources' said that 'the two sides (India and Vietnam) agreed during the discussions that there is no question of violating any International Law in going ahead with the exploratory work. The meetings on Friday (16 September) have paved the way for expansion of the ONGC *Videsh's* oil and gas exploration work'.¹¹ Foreign Minister Krishna's statement and the Indian official reaction underline that India has ascertained that the involved exploration Blocks were well within Vietnam's EEZ, according to the 1982 UN Convention on the Law of the Sea or UNCLOS. (See Annexure for a map of South China Sea disputes).

The Indian media also whipped up the issue but its difference with the Chinese media is that it does not enjoy official sponsorship. A very highly placed officer in India's foreign policy establishment confided to this author that the current debate on the issue was triggered by the Chinese official comments on the OVL oil exploration issue which were in turn only in reaction to the quires from Indian media persons.¹² Another senior government officer was reported to have said: 'It does not help India when media needlessly bashes China...it does not make any sense to demonise China'.¹³ On the basis of various commentaries and articles

published in Indian media on the subject, the Indian strategic community seems to be divided on the wisdom of India going ahead on the oil exploration in the region where China is asserting its claims. There are those who support it,¹⁴ and there are those, like former Navy chief Arun Prakash and former intelligence officer (RAW, Research and Analysis Wing) B. Raman who caution because India may not have the military capabilities to protect OVL's exploration activity if China were to take any disruptive action. Admiral Arun Prakash wrote on 2 October, 2011; 'Even if India were to take a long overdue stand on principles, or adopt an assertive posture vis-à-vis China, a distant location like South China Sea is hardly an ideal setting to demonstrate India's maritime and other strengths...At this juncture it would be imprudent to contemplate sustaining a naval presence, some 2,500 nautical miles from home to bolster OVL's stakes in South China Sea hydrocarbons.¹⁵ It may be recalled that on 26 May, China 'damaged the cables of a Vietnamese oil and gas survey ship off the coast of Phu Yen province'.¹⁶

Strategic Dimensions of India-Vietnam Relations

As alleged in the Chinese media commentaries, India's oil exploration in South China Sea is not in reaction either to the Chinese projects in Pakistan Occupied Kashmir (POK) or China's so-called 'strategy of string of pearls' in the Indian Ocean. To understand India's position on the South China Sea dispute, its

relations with Vietnam have to be seen in perspective. These relations predate any conflict between India and China as also between China and Vietnam. The Indian leader Jawaharlal Nehru and Vietnamese leader Ho Chi Minh first came in contact with each other way back in 1927, when both of them were struggling for the independence of their respective countries respectively from the British and the French colonial rules. Nehru visited Vietnam in 1954 to congratulate the Vietnamese leaders and people for their victory against the French at Dien Bien Phu. The context was anti-colonial and at that time, India was also developing constructive and cooperative relations with China on the basis of '*Panch-Sheel*' principles of peaceful coexistence. There were indeed many issues related to colonialism and the Cold War on which India and China worked together to the dislike of the West. Following the 1954 visit, India joined the International Supervisory and Control Commission for Peace in Indo-China region and earned considerable goodwill of the countries like Vietnam, Laos and Cambodia. In 1958 the Vietnamese leader Ho Chi Minh visited India. Full diplomatic relations between India and Vietnam were established in January 1972 and India celebrated Vietnam victory in 1975 in the war against the US.

Soon after its victory against the US, Vietnam sought India's help in the reconstruction of its war-torn economy.¹⁷ An Indian military delegation visited Vietnam to assess the ways in which India could help.

In the following years, Indo-Vietnamese relations witnessed moves towards greater strategic understanding and cooperation. In February 1979, the then-Foreign Minister of India, Atal Behari Vajpayee cut short his China visit in reaction to the Chinese 'punitive' action against Vietnam. Vajpayee's non-Congress coalition government hesitated in recognising the Vietnamese-installed Heng Samrin government in Cambodia but within six months of the return of the Congress government, under Indira Gandhi, in January 1980, India extended this recognition (in July 1980). This was done to the much displeasure of not only China and the US but also at the cost of India's participation in ASEAN (Association of Southeast Asian Nations) as a dialogue partner.¹⁸ ASEAN was strongly opposed to the Vietnamese intervention in Cambodia in 1978-79 that replaced the Khmer Rouge government with a puppet regime headed by Heng Samrin. In 1985 and 1988, Prime Minister Rajiv Gandhi visited Vietnam twice to strengthen relations with Vietnam and in January 1989, the General Secretary of the Vietnamese Communist party Nguyen Van Linh was invited as the chief guest for India's Republic Day celebrations.

The strategic dimensions of Indo-Vietnamese relations, initiated during the 1980s, started unfolding in the form of structured and institutional arrangements during the 1990s. A Memorandum of Understanding on Defence cooperation was signed between the two countries in September

1994 under which India not only offered training slots to Vietnamese defence personnel but also agreed to service their MIG-21 fighter aircrafts.¹⁹ The promise of the MOU however, did not take off in implementation. There were various factors behind this, including widening of Vietnam's economic and strategic relations with other powers, like the US, Japan and also China. During 1991-99, Vietnam was deeply engaged in resolving its boundary issue with China to ensure that in future China had no excuse of militarily intervening in Vietnam under the pretext of disputed boundary as was the case in 1979.²⁰ This is what India is trying these days to persuade China to resolve the bilateral territorial dispute in the Himalayas.

India made a serious attempt to activate defence cooperation with Vietnam in 2000 when then-Defence Minister George Fernandes visited Vietnam in March and signed a comprehensive agreement for defence cooperation. This agreement had following important features:

1. Repair and overhaul of Vietnam's MIG-21 fighter aircrafts.
2. Help in the capacity building of Vietnam in the production of small and medium weapons and certain ordinance items.
3. Supply India's multi-role advanced light helicopter and fast petrol boats to Vietnam.
4. India's Defence Research and Development Organisation (DRDO) to help Vietnam in

treating its chemical warfare ('agent orange defoliant') victims.

5. Indian Navy to help in ship building and upgrading by Vietnam Navy.
6. India to train Vietnam's defence Information Technology officers.
7. Vietnam to train Indian soldiers in jungle warfare.
8. Bilateral cooperation in combating sea piracy.²¹

There was also a long-pending Vietnamese demand for cooperation in the field of nuclear energy. The first bilateral agreement on the peaceful uses of nuclear energy was signed in 1986 and ratified in 1987.²² It was taken forward by India in 1999 and expanded in the years 2000 and 2001 when India's Department of Atomic Energy and the Vietnamese Ministry of Science Technology and Environment signed a Memorandum Of Understanding in Hanoi in January 2001, in the presence of India's visiting Prime Minister Atal Behari Vajpayee and his counterpart Phao Van Khai. This involved setting up of a research reactor and training of scientists.²³ The Indo-Vietnamese cooperation in the field of nuclear energy has not worked successfully all these years, so far in view of pressure both on India and Vietnam from the US as also availability of more options subsequently to Vietnam. However, the cooperation in this field has been revived and may, hopefully, see some concrete results by 2015 or 2020.²⁴

Two landmark developments uplifted the strategic profile of

India-Vietnam relations. In May 2003, during the visit of Nong Due Manh, the General Secretary of the Communist Party of Vietnam to India, the two countries signed a Joint Declaration on the Framework of Comprehensive Cooperation. In July 2007, the two countries issued another Joint Declaration on the Strategic Partnership between them to mark the occasion of the Vietnamese Prime Minister Nguyen Tan Dung's visit to India. Under this Declaration, a regular 'Strategic Dialogue' was established between the two countries. Strengthening of bilateral cooperation in 'defence supplies, joint projects, training cooperation and intelligence exchanges' was promised. They also agreed to work closely in the areas of 'ensuring security of the sea lanes, including combating piracy, preventing pollution and conducting search and rescue' as well as in 'combating terrorism.'²⁵ Within the framework of these two joint declarations, frequency and significance of high level political and defence exchanges between the two countries have increased rapidly. These visits have ranged from the Prime Ministers and senior Ministers to high-ranking defence personnel, members of their respective Parliaments and representative of ethnic and cultural groups. India's Defence Minister A.K. Antony and Prime Minister Manmohan Singh visited Vietnam in October 2010. Economically, the trade between the two countries was expected to exceed U\$3 billion by the end of 2011. This would be 10 times more than what it was in 2000.

India's oil and gas exploration in Vietnam

India's oil exploration in Vietnam started as early as 1988 in association with the then-Soviet Union. With the discovery of attractive potential of hydrocarbon deposits in Vietnam's territorial waters and EEZ, Vietnam opened its oil and gas sector widely to the foreign companies in 1990 and in 1992, India's ONGC joined a joint venture with Petro-Vietnam, the Burma Petroleum of the UK and DNSO (Stat Oil) of Norway. In 2001, India's oil fields in Vietnam were its largest overseas possession in the energy sector. The ONGC held 45 per cent shares in its joint venture with Petro-Vietnam and the United Kingdom's BP (British Petroleum) group. In November 2002, gas started flowing from the ONGC's joint venture at the Nam Con Son basin in Vietnam.²⁶ Due to lack of facility in India to refine the crude oil received from Vietnam because of its technical specifications ('high pour point'), India used to sell off this oil in international market.²⁷ It is believed that refining facilities to process this oil have now been developed in India. OVL of India signed another production sharing contract with Petro-Vietnam in May 2006 for Blocks 127 and 128, off shore Vietnam in the Phu Khanh Basin.²⁸ This energy cooperation between the two countries has also been strengthened gradually.

China has been periodically taking exception to any international oil and gas exploration in Vietnam's EEZ in South China Sea, including by India since 1988. But these

protests have never attracted much media attention, nor were they turned into big diplomatic events. India's activities in this field must be understood in the context of long standing and strategically evolving cooperation between India and Vietnam. The visits of Indian naval ships to Vietnam also go back to 2001, following Indian Defence Minister George Fernandes's visit. An idea of the regularity of such ship visits can be seen from the following table²⁹:

Dates of the Visit	Names of the Ships
1. 9-13 June, 2005	INS Magar
2. 8-11 June, 2006	INS Rajput; INS Kulish; INS Kirpan
3. 7-11 May, 2007	INS Maysore; INS Ranjit
4. April, 2008	INS Kora; INS Kirpan
5. 7-11 April, 2009	INS Mumbai; INS Ranvir
6. May 30, 2010	INS Ranjit; INS Kulish
7. 10-13 May, 2011	INS Delhi; INS Kirch
8. 17-19 July, 2011	INS Airavat

Discounting the role of media in inflating such events, it must be kept in mind that they are reflective of China's growing assertiveness and inflated claims in South China Sea.³⁰ China has raised the seriousness of these claims by putting South China Sea as its 'core national interest', at par with its sovereign possessions like Taiwan, Tibet and Xinjiang.³¹ Its drive for access to energy and sea-bed sources all over the world has also

not hesitated from applying all available means in this respect. It was recently announced by China's Ocean Mineral Resources Research and Development Association that the International Seabed Authority (ISA) has permitted it to explore the south-western Indian Ocean ridge for polymer sulphide nodules.³² With regard to oil and gas, China has been luring and pressurising Vietnam to enter into joint development of the resources in the disputed South China Sea islands, but Vietnam has been reluctant. It has preferred engagement with international companies as collaboration with China would be on the Chinese terms and will also help China strengthen and legitimise its extensive claims once it is present in these areas even if for developmental purposes. As early as in 1994, the then-Vietnamese Vice Foreign Minister, Vu Khoan reacting to the Chinese demands for joint development said:

The problem is which sea area we are going to develop jointly... China's intention in proposing the joint development of the Spratly Islands is an attempt to justify its presence in Vietnam's territorial waters under the name of joint development. Would you accept an invitation to dinner from a person who was trying to steal a US\$100 bill from your pocket...³³

This is an additional reason for China being irritated on the issue as Vietnam has denied it the access to energy resources and allowed foreign companies to get involved. To deter Vietnam in this respect, China has not hesitated in taking

resort to the threat and use of force in asserting these claims. Four incidents of armed confrontation of China at sea with Vietnam and eight incidents, including gun fire between Chinese and Philippines warships have been recorded in international media during the past couple of years. The harsh language used by the sponsored Chinese media like the *Global Times* against smaller South China Sea countries has already been noted earlier.

South China Sea may look far off from the Indian mainland but it is not really so when India's territorial foot prints in the western Indian Ocean, in the form of Andaman and Nicobar Islands, are kept in view. India's sea-bound trade that passes through Indian Ocean constitutes 92-95 per cent of its total trade and, there are estimates that nearly 25 per cent (and growing) of this sea-bound trade passes through South China Sea. India, like China, is also an energy deficit country and is stretching its resources all over the world to access hydrocarbons in whatever form and quantity available. India's oil and gas explorations and extractions in Myanmar and Vietnam need to be understood in this respect. Therefore, there is no way that India would retreat from South China Sea just because China or any other country has taken an exception to its economic and naval activities in this region.

India would surely have augmented its capabilities to defend its strategic interests in the region once the upgrading of a tri-service base in Andaman and Nicobar Islands is completed and made fully

operational, as expected by 2015-20. India cannot afford to have any conflict with any of its East Asian neighbours, least with China which is emerging into a formidable economic and military power. Nor perhaps can China afford to cause any setback to its economic growth by engaging any of its neighbours into a conflict. The best course for India and China is to coexist in South China Sea as also in Indian Ocean peacefully. This is in the overall interests of not only India and China individually and bilaterally but also of peace and stability in the wider region. And for this, China owes it to its South China Sea neighbours to moderate its claims and its tempers in the region.

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⁹ Ibid.

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¹² In personal discussion with the author in New Delhi on 29 September, 2011.

¹³ Sheela Bhatta, ‘India-China Relations are very complex and very sensitive’,

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¹⁷ Vietnam’s Prime Minister Pham Van Dong signed an agreement to this effect with India during his official visit in 1978.

¹⁸ The Dialogue partner status was granted by ASEAN to India in May 1980, but India’s recognition of the Heng Samarin government disrupted this as ASEAN was intensely opposed to Vietnam’s military intervention in Cambodia which helped install the Samarin regime there in January 1979.

¹⁹ Storey, Ian and Thayer, Carlyle A, ‘Cam Ranh Bay: Past Imperfect, Future Conditional’, *Contemporary Southeast Asia*, Vol. 23, No.3, December 2001.

²⁰ Author’s interviews with senior Vietnamese officials and Generals in July 2001 in Hanoi.

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²⁵ Text of the Joint Declaration, <http://english.vietnamnet.vn/politics/2007/07/715169/> Accessed on 8 October, 2011.

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MAJOR STATEMENTS

The Joint Statement of the 14th ASEAN-China Summit to Commemorate the 20th Anniversary of Dialogue Relations in Bali, Indonesia, 18 November 2011:

“Acknowledging the progress in the implementation of the 2002 Declaration on the Conduct of Parties in the South China Sea (DOC), including the recent adoption of the Guidelines for the Implementation of the DOC” says:

“We are firmly committed to fully and effectively implementing the Declaration on the Conduct of Parties in the South China Sea (DOC), and work towards the eventual adoption, on the basis of consensus, of a code of conduct in the South China Sea, so as to further contribute to peace, security, stability and cooperation in the region.

We will cooperate to enhance maritime security, including to ensure freedom of commerce, safety of navigation and maritime traffic, in accordance with international law, including the 1982 United Nations Convention on the Law of the Sea (UNCLOS).”

The full text of the joint statement is available at

<http://www.asean.org/26739.htm>

The Joint Statement of the 3rd ASEAN-U.S. Leaders’ Meeting in Bali, Indonesia, 18 November 2011 says:

“We reaffirmed our support for the 2002 ASEAN-China Declaration on the Conduct (DOC) of Parties in the South

China Sea and welcomed the adoption of the Guidelines for the Implementation of the DOC, including the eventual conclusion of a Code of Conduct in the South China Sea.”

The full text of the joint statement is available at <http://www.asean.org/26742.htm>

MAJOR EVENTS

June 28: The United States and the Philippines began a 11-day joint naval exercise, shortly before China accused the US of interfering in the South China Sea.

July 20: China and the ASEAN nations reached a series of agreements on implementation of the DOC, laying a solid foundation for practical cooperation in the area.

Aug 10: The US and Vietnam conducted a week-long joint military exercise in the South China Sea.

Aug 12: Premier Wen Jiabao and Indonesian President Susilo Bambang Yudhoyono, who also holds the ASEAN rotating presidency, marked the 20th anniversary of relations between China and ASEAN.

Sept 25-28: Philippine President Benigno Aquino III visited Japan, during which the two countries reached an agreement on establishing a coordinative institute to resolve issues in the region. Japan agreed to strengthen military outposts in the sea, provide coast guard training and establish an intelligence exchange mechanism with the Southeast Asian nation.

Oct 11-15: Communist Party of Vietnam General Secretary Nguyen Phu Trong visited China. In a joint statement, the two countries pledged

to ensure peace and stability in the South China Sea and open a hotline to deal with potential conflicts and hold border negotiations twice a year.

Oct 12: Indian and Vietnamese state-owned companies agreed to a joint oil and gas exploration project located west of the disputed islands in the South China Sea.

Oct 12: Vietnamese President Truong Tan Sang met Indian Prime Minister Manmohan Singh in New Delhi, with both sides pledging to maintain peace and security in the South China Sea and expand their strategic partnership.

Oct 18: Philippine naval ships illegally seized Chinese fishing boats in disputed waters of the South China Sea.

Nov 18: Premier Wen proposed the establishment of a 3-billion-yuan (\$477 million) China-ASEAN maritime cooperation fund at the 14th China-ASEAN Summit.

Source: *China Daily*, 31 December, 2011

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