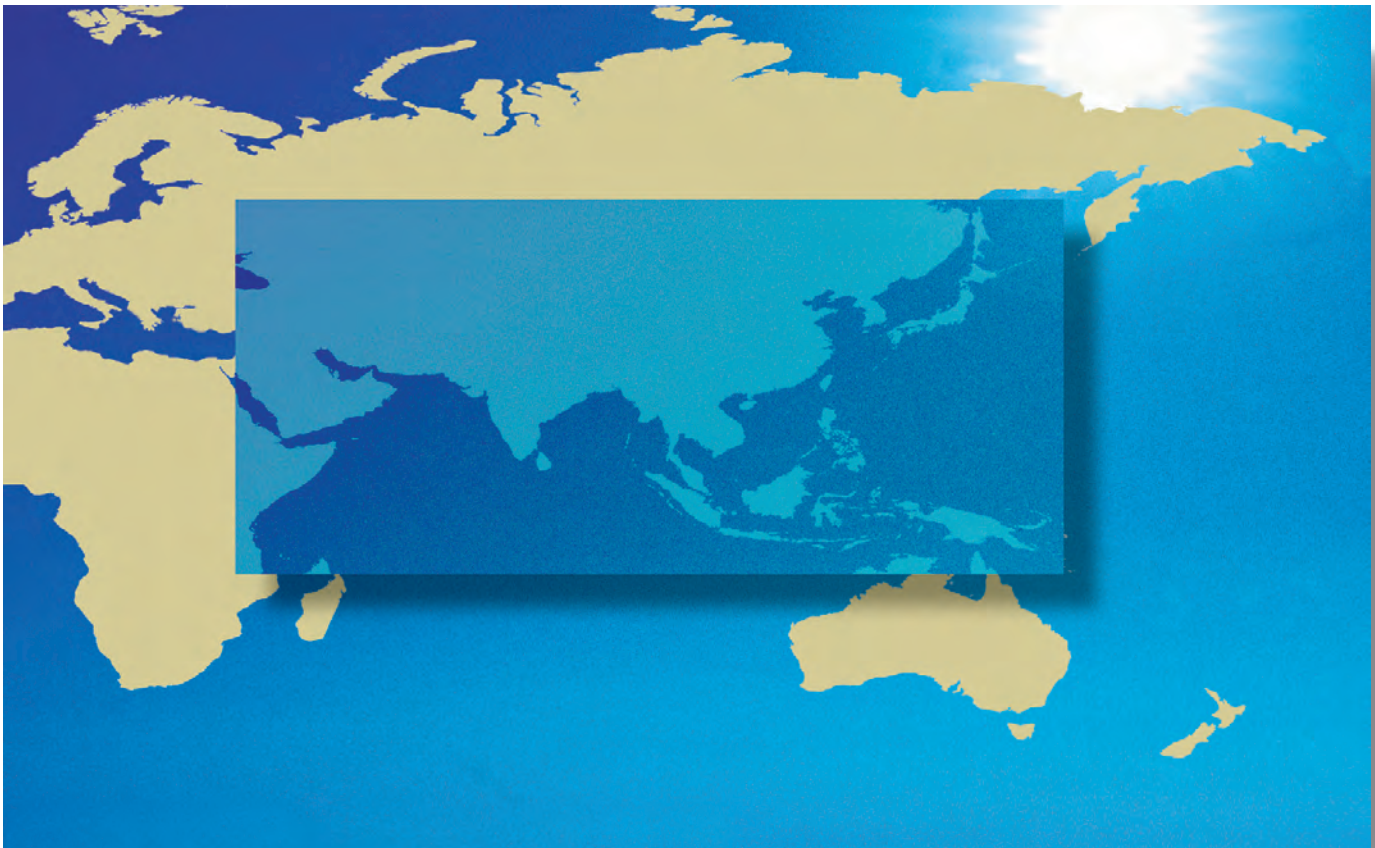


OPRF MARINT Monthly Report

August 2005



CONTENTS

1. Intelligence Bulletin
 - 1.1 Terror/Piracy and Security
 - 1.2 Military and Security
 - 1.3 Diplomacy, International Relations and Security Cooperation
 - 1.4 Resources and Environment
2. Intelligence Assessment
 - 2.1 Aim and geostrategic influence of China-Russia joint military exercises
 - 2.2 Malacca Straits security engagement by neighbor states
 - 2.3 Recent China-Myanmar movements in the Andaman Sea

This monthly report is edited/ summarized by publisher and staff writers based on published news resources.

Each resource is referenced with bracket below each title and is displayed as link USL on the last page of this report.

Publisher: Masahiro Akiyama

Staff writers:

Kazumine Akimoto, Tsutomu Inuzuka, Takehisa Imaizumi,

Hideshi Ueno, Naoko Okamoto

All rights reserved.

This report, or parts thereof, must not be produced in any form without permission in writing of the publisher.

Introduction

There were some noticeable events this month (August, 2005): First, Russia and China held a joint-military exercise around the Russian port of Vladivostok and the Chinese coastal province of Shandong from August 18 to 25. The drill, named "Peace Mission 2005" involved nearly 10,000 troops by both sides. The exercise caused a lot of controversy over an influence of closer cooperative military ties between two countries. Second, the importance of the security maintenance in the Malacca Straits has caught attention since the Lloyd's Joint War Committee categorized the straits as a war-risk area. Both topics of Russia-China joint exercise and the Malacca Straits are covered in the part 2, Intelligence Assessment. We develop an outline of the China-Russia joint military exercise from some information and sources as well as examine its strategic effect on the increasing closeness of two big nations.

On the other hand, as for the security issue of the Malacca Straits, we examine an ongoing regional framework of the maritime security by three littoral states (Malaysia, Indonesia and Singapore) starting this month (August 2005). The Malacca Straits is one of the most important strategic zones in the world. If premiums keep rising as a result of the region's official designation as dangerous waters, or if any ships are taken over by pirates or terrorists to block passage of the straits, it will eventually have a critical impact on the world economy including the oil export/import industry.

Third, there have been frequent occurrences of terrorist acts or bombing attacks in some Asian nations. Although all such cases are not connected to international terrorist organizations such as Al-Qaeda, there are mounting concerns over deteriorating security in the region. Fourth, the US established a new warfighting headquarters in Hickam Air Force Base in Hawaii, named "The George C. Kenney Head quarters" as part of its fundamental realignment of the command and control structure in the Asia-Pacific region. The new headquarters will control the Air Forces in the area of Japan, the northern and southern Pacific, and the Indian Ocean area with the exception of the Korean Peninsula where another headquarters will be established. In total, 10 such warfighting headquarters will be established by the US around the world. We should keep an eye on how these movements will affect transformations of the US bases in Japan in the future.

Lastly, the US and a dozen other nations conducted a joint military exercise to counter the threat from weapons of mass destruction (WMD) from August 15 to 19 in the South China Sea and Singapore. Total 13 countries took part in the multilateral joint exercise as part of the U.S.-led Proliferation Security Initiative (PSI). Japan dispatched the destroyer Shirane, two P-3C antisubmarine patrol aircrafts and the patrol vessel Shikishima to the PSI drill. This is the first time the Maritime Self-Defense Force sent combat units to PSI.

1. Intelligence Bulletin

1.1 Terror/Piracy and Security

August 1 “Member of Abu Sayyaf was arrested in the Philippines” (ABC News)

The Philippine security forces announced they arrested a member of militant group Abu Sayyaf, Alex Kahal. Kahal, also known as Alex Alvarez is a top Abu Sayyaf member and a close associate of group leader Khaddafy Janjalani. He was captured after an attack on his hideout in the southern city of Zamboanga.

August 3 "Monitoring teams from EU and ASEAN arrive in Aceh" (The Jakarta Post)

On August 3, a monitoring team from the European Union and the Association of Southeast Asian Nation (ASEAN) arrived at the Indonesian province of Aceh to monitor the implementation of the peace pact between the Indonesian government and the Free Aceh Movement (GAM). The team consists of 28 people: 18 from the EU, 6 from ASEAN and 4 from Indonesia.

August 3 “Australia confirmed terrorist activities in the country” (CNN)

Australia’s federal police commissioner announced on August 3 that they confirmed about 60 Islam radicals are currently involved in terrorist activities in the country.

August 4 "Australia donates US\$ 38 million for transnational crime" (Tempo Interactive)

Australia provided Indonesia with USD\$38 million for the purpose of eradicating transnational crime on August 3. The money is to be used for funds to operate the Jakarta Center for Law Enforcement Cooperation (JCLEC) and the International Anti-terror Training Center (Platina) for the next five years.

August 8 “The US drafts war plans to counter terror attacks” (The Washington Post)

The US military has drawn up its first-time war plans to block and handle terrorist attacks in the US. It simulates 15 possible crisis scenarios ranging from civilian-control missions to large-scale attacks by biological or nuclear weapons and outlines its military support for each potential case. For the US, having shied away from the involvement of domestic operations and banned the engagement of law enforcement, the war plans will be a historic shift.

August 8 "Al Qaeda member was arrested in Punjab" (The Dawn)

Pakistani security forces captured a member of suspected Sunni Extremist group, Osama bin Yousuf on August 7 in Punjab. According to the officials, Yousuf, one of the important al-Qaeda members, is currently under interrogation. Police confiscated maps of Germany, Italy, Pakistan,

and the UK, documents, CDs and weapons.

August 9 "Bangladeshi troops capture three Myanmar rebels" (The Dawn)

Since June 2005, Bangladeshi forces have conducted an operation to wipe out Myanmarese guerrillas who regard Bangladesh as a haven. The forces have already captured more than 30 rebels from various militant groups.

August 10 "Navy and coastguard of Bangladesh arrest 54 pirates" (Hindustan Times)

Near Chittagong port on August 10, Bangladeshi navy and coastguard arrested 54 pirates who were trying to attack a ship from Cyprus that had been sent for shipbreaking. Five boats were also seized.

August 12 "Rebel attacks northeast India" (Khaleej Times)

In the northeastern state of Assam, India, there have been frequent bombing incidents by a separatist group, the United Liberation Front Asom (ULFA) seeking independence from the country. Over the first week of August, as many as 26 times bomb attacks have been reported.

August 12 "Australia and the Philippines hold anti-terror talks" (Inq7. Net)

Foreign Ministers of Australia and the Philippines had a two-day meeting to discuss measures against terrorism. Both sides signed a memorandum on August 12 to establish the Philippines-Australia Ministerial Meeting as an annual ministerial forum.

August 15 "India's new hijack policy: Airplane can be shot down" (The Dawn)

In India, it is approved by the Cabinet Committee on Security (CCS) that an airplane can be shot down if it is hijacked and turned into a weapon for a terror attack. This rule is part of a new policy against hijack. Under the new policy, it also prohibits government from negotiation with hijackers.

August 15 "Rebels are going to resume peace talks" (ABC-CBN Interactive)

In the Philippines, representatives of the New People's Army said on August 13, that they are willing to resume peace talks with the Manila government on condition that the government encourages the international community to remove the group from the list of international terrorists. Peace talks between the New People's Army and the government have been cut off because of a recent scandal involving President Arroyo's election.

August 15 "Malaysia extends sending peace monitor team to southern Philippines" (ABC-CBN Interactive)

Malaysia agreed to extend for another year the deployment of peace-monitoring team to the southern Philippines. 40 observers will be sent to the south to monitor still-unstable region after a

peace agreement between the Manila government and the Moro Islamic Liberation Front.

August 15 "Aceh rebels agreed peace pact with the Indonesian government" (BBC News)

The Indonesian government and the Free Aceh Movement (GAM) have signed a peace deal on August 15 in Helsinki, Finland. The following terms are included in the deal: the disarmament of GAM, the withdrawal of military and police from the region, amnesty for members of GAM, deployment of peace-monitoring team from the EU and ASEAN to the region, and the establishment of a new law for the Aceh province.

August 17 "Malaysia will send peace monitoring team to Aceh" (Xinhua)

Malaysian Foreign Minister Syed Hamid Albar announced Malaysia plans to dispatch a peace monitoring team to the Aceh province, Indonesia. The member will consist of 25 to 30 people headed by a high-ranking officer.

August 17 "Bombs exploded in 50 cities of Bangladesh" (BBC News)

At least two were killed and more than 50 others were injured in a series of bomb explosions in 50 cities across Bangladesh on August 17. Reportedly 100-300 bombs exploded around the same time and most were homemade, small size bombs. Bangladesh's authorities have arrested more than 50 people. It is believed that an outlawed Islamic group, Jamatul Mujahideen Bangladesh, performed the series of attacks.

August 18 "Sri Lankan foreign minister was killed by Tamil Tiger rebels" (BBC News)

A Foreign Minister of Sri Lanka, Lakshman Kadirgamar was assassinated near his home, Colombo August 12. President Chandrika Kumaratunga blamed Tamil Tigers for the murder at his funeral held on August 15. The President approved a state of emergency on 18, Thursday to straighten powers of security forces.

August 19 "China creates special police units against terror" (BBC News)

The Chinese government is setting up special police units to counter terrorism, violent acts, riots, and any threats against public security. The government plans to deploy the units to 36 cities. This is said to be the response to the recent increase in riots over land and economic disparity in the country.

August 18 "Parliament of Sri Lanka approves state of emergency" (Xinhua)

A state of emergency was approved by Sri Lanka's Parliament in the wake of the murder of Foreign Minister Lakshman Kadirgamar. President Chandrika Kumaratunga declared a state of emergency to give wide powers to the security forces to arrest and detain suspects involved in the assassination of the foreign minister. The emergency was required congressional approval within

10 days of the proclamation.

August 24 "Malaysia captured a hijacked ship in the Malacca Straits" (NY Times)

A long-lost Malaysian freighter that had been hijacked November 2002 was captured by Malaysian commandos after 17 hours-chasing in the Strait of Malacca on August 24. When commandos boarded the freighter, 20 Chinese crew members surrendered without making resistance. The incident led to cause frictions between insurers and shipowners by rising hull premiums. The recent premium hike movements come from the insurers' fears of possible attacks from radical Islamic groups in Southeast Asia.

August 28 "Ferry explosion injures 30 in Southern Philippines" (The Associated Press)

On August 28, a bomb exploded on a ferry on the berth in the southern Philippines and at least 30 people were injured. The area has been on alert against terrorism. There was the worst terror attack in the Philippines last year (2004). At that time, 116 were killed in the Manila Bay by a bomb blast on a ferry. Also there were another two bombing attacks in southern Zamboanga city early this month. Both attacks have been blamed on the Abu Sayyaf group, which is linked to al-Qaeda. Philippines troops and police have designated the southern region Mindanao as dangerous area.

August 30 "Indonesia, Philippines and Australia will sign anti-terror pact" (Xinhua)

According to the Indonesian officials, its police force will sign a memorandum of understanding about anti-terrorism cooperation each with the Philippines and Australia. The memorandum between Indonesia and the Philippines includes the security of border region. On the other hand, the memorandum between Indonesia and Australia is a renewal of an already existing agreement. Australia is also expected to sign a similar MoU with Malaysia soon.

August 31 "TNI will draw up SOP with Thailand for Malacca Straits security" (ANTARA NEWS)

Commander General of the Indonesian defense forces (TNI) Endriartono Sutarto announced that it will establish standard operating procedures (SOP) with Thailand to maintain security in the Malacca Straits. The SOP for the cooperation with TNI and Thailand will be finished in September. He said the SOP with three littoral states – Malaysia, Indonesia and Singapore – has already been formulated.

1.2 Military and Security

August 2 "Japan expresses security concern against China and North Korea in the Defense White Paper" (Channel News Asia)

Japan said in the Defense White Paper published on August 2 that China and North Korea are potential security concerns for Japan in the coming years. The paper points out China has problem with its transparency regarding the growing military power. The paper also states that Japan have to be more alert on the North Korea's continuing activities on its nuclear development.

August 4 "India will set up satellite-based military SBS system" (Xinhua)

According to India's Defence Minister Pranab Mukherjee, India is currently building a satellite-based Military Surveillance and Reconnaissance System which will complete by 2007. He declined to comment on any further details.

August 4 "Azerbaijan will agree to build US base in the country" (Daily Times)

Azerbaijan will conclude an agreement with the US on establishing a US military base in the country, according to Russian reports. The agreement is in response to the Uzbekistan's request in July to withdraw the US troops from the country within six months. Azerbaijani Foreign Minister Elmar Mamedyarov has been in Washington to have talks with the US officials regarding the establishment of the US base either near the Iranian border or close to the capital of Baku, which is likely to realize.

August 4 "Multi-National Forces to train Panama Canal Defense" (Defense News)

Naval training exercise from 15 countries aiming at protecting the Panama Canal was launched as part of Panamax 2005. Argentina, Chile, Colombia, Dominican Republic, Ecuador, Honduras, Panama, Peru and the US took part in the exercise. Canada, Costa Rica, El Salvador, France, Mexico, and Uruguay have dispatched observers.

August 3 "South Korea plans to develop Anti-Submarine Missile by 2007" (The Korea Times)

Agency for Defense Development (ADD), South Korea's state-run defense research institute announced that it will develop a latest long-range anti-submarine missile by 2007. The missile will be loaded into 4,000-ton-class destroyers and will be capable of hitting an enemy submarine at a distance of 20 kilometers.

August 10 "Indian Navy to hold joint exercises with 3 countries" (Xinhua)

Indian Defense Minister Pranab Mukherjee announced that the country is expected to hold bilateral exercises with the US, French and Russian navies from September to November 2005. It

appears that nuclear submarines of the US and French navies and the aircraft carrier of the Russian navy will participate in the exercises.

August 11 "US military to reorganize U.S. Pacific Command" (Japan Today)

The US military established a new headquarters, The George C. Kenney Headquarters, at Hickam Air Force Base in Hawaii this summer (2005). The new headquarters will be in charge of controlling US Air Forces of Japan, the north Pacific region, and the south Pacific and Indian Ocean except for the Korean Peninsula which falls under another new headquarters. 10 of such headquarters in total will be established across the world.

August 11 "Pakistan successfully test-fired new cruise missile" (BBC News)

Pakistan succeeded at launching its new cruise missile on August 11. The missile, Hart VII Babur has a range of 500 km and is capable of carrying both nuclear and conventional warheads. In spite of the agreement with India to give prior notice if either side launches ballistic missile tests, the test-fire has not been informed to Indian side.

August 11 "Russia sent the first batch of air defense missile to Vietnam" (Novosti)

Russia has delivered the first batch of S-300 PMU1 air defense missile systems to Vietnam. In a US\$300 million contract signed by both sides in 2003, it has been decided that up to two battalions of missiles and launchers are delivered to Vietnam.

August 12 "US holds military exercise off Okinawa" (Mainichi Daily)

The US Kitty Hawk carrier battle group launched the JASEX exercise off the southern Japanese island of Okinawa. According to the US military officials, this is the highest-level joint exercise held outside the US. The maneuver has been conducted every year since 2003. It aims at improving cooperation and interoperability among the various branches of the US military as well as operating the entire spectrum of warfare.

August 12 "China repairs ex-Russian aircraft carrier" (Jane's Defence Weekly)

An ex-Russian aircraft carrier Varyag has been currently repaired by Chinese workers at Dalian Shipyards, China. Experts see this as China's intention to use the platform not for a floating casino, but for the preparation of constructing a true blue water navy. It is likely that Chinese engineers are studying the design of the carrier.

August 13 "Taiwan began deployment of cruise missiles" (Herald Sun)

To defend from China's invasion, Taiwanese forces began deploying indigenous cruise missiles loaded with mobile launchers. The missiles have a range of 1,000km and can reach targets as far as China's southeastern coast. Currently, an upgraded version of missile with a maximum range of 2,000km has been developed.

August 13 "Pakistan negotiates with US for 75 F-16s" (The Times of India)

Ambassador of Pakistan announced that the country is seeking to purchase 75 F-16s from the US at a total amount of US\$3 billion. According to the Ambassador, now both sides are still under negotiation. The final number has not been fixed yet.

August 14 "Philippine and US will hold joint exercise" (Xinhua)

Naval forces of the US and the Philippines launched one-week joint exercises as part of the annual bilateral exercises with Southeast Asian nations, Cooperation Afloat Readiness and Training (CARAT) aiming at enhancing interoperability and counter-terrorism cooperation. Five ships from the Philippine Navy and four ships from the US Navy will be involved in the exercise.

August 15 "Singapore hosts anti-WMD drills as part of PSI" (Reuters, Alternet)

Maritime exercises aiming at stopping the spread of weapons of mass destruction were kicked off in the South China Sea on August 15 as part of Proliferation Security Initiative (PSI) drill led by the US. Other than a host country Singapore, the US, Australia, the UK, Canada, France, Germany, Greece, Italy, Japan, the Netherlands, New Zealand and Russia take part in the maneuvers. Japan sent its Maritime Self-Defense Forces warships, Shirane and Shikishima. This is the first time that Japanese Maritime Self-Defense Force ships participate in the PSI drill.

August 15 "South Korea considers selling Supersonic Fighter for US\$100" (The Korea Times)

South Korea is planning to sell 50 of aging F-5A/B fighter aircrafts to outside the country in the amount of US\$100 per plane. According to the Ministry of National Defense officials, potential purchasers will be Poland and Mexico. It appears the move is part of a sales strategy to export KT-1 and T-50 supersonic trainers produced by Korea Aerospace Industries (KAI).

August 17 "Russia test-fires sub missile in the Barents Sea" (World Peace Herald)

A Russian Northern Fleet submarine fired an intercontinental ballistic missile in the Barents Sea on August 17. The submarine Yekaterinburg succeeded to launch a ballistic missile RSM-54 after twice failures. The President Vladimir Putin watched the naval exercises from the missile cruiser Pyotr Veliky. Putin has made a strong effort to revive Russian navy, particularly its strategic nuclear missile submarine arm.

August 17 "Ships to be delivered and commissioned into service soon" (Taipei Times)

Taiwan's Ministry of National Defense announced the country will put in commission two of four Kidd-class destroyers in December (2005). The said two warships are now undergoing live-fire drills and the rest of the two will be launched in 2006 and 2007 respectively.

August 17 "Taiwanese troops hold 'Chinese-Invasion' Drill" (AFP)

On the eve of China-Russia joint military exercises, Taiwanese troops carried out an exercise on August 17, simulating an invasion from China. About 3,000 troops were mobilized.

August 18 "China, Russia to hold joint military exercise" (Xinhua)

Russia and China will hold joint military exercises dubbed "Peace Mission 2005" from August 18 to 25. According to Chinese Ministry of Defense on August 2, the maneuvers will take place in Vladivostok, the Russian Far-East forces' jurisdiction, on China's Shandong peninsula and the surrounding ocean area. About 10,000 forces will take part in the exercises from army, navy and air forces by both countries.

August 18 "South Korea and US will conduct joint military exercise" (Xinhua)

The US and South Korea announced on August 18 that they will conduct a joint military exercise, Ulchi Focus from August 22 to September 2. This will be one of three major exercises held by two countries every year. This time's drill will be 31st and will involve about 10,000 US troops from South Korea and overseas.

August 18 "India and Russia to hold joint exercise to counter terrorism" (The Financial Express)

India and Russia will launch their first anti-terror exercise, named IndRo-2005 in October (2005). Land forces and naval fleet from both sides will participate in the 10-day exercise. The Russian strategic aircraft SU-24M2 bombers and SU-27SM fighters will join the exercise. Both of the aircrafts will practice mid-air refueling during the exercise. According to the Russian embassy in India, both countries plan to conduct the exercise annually.

August 23 "Kazakhstan supports US operations in Central Asia" (The Washington Times)

Kazakhstan's Foreign Minister Kasymzhomart Tokayev said on August 23 that the country would support for US military operations in Central Asia and that the country has worked to its neighbour countries to tone down their movements to withdraw the US troops from the region. Kasymzhomart also stated that the "Great Game" – competed for influence in the region in the 19 century – is coming back to the region again because of the U.S. military presence since the 2001 Afghanistan war and China's emergence as a regional and global power.

August 29 "TNI and US to hold joint military exercise" (Tempo Interactive)

The Indonesian Military (TNI) is holding a 16-day joint military exercise with the US Pacific Command in the waters off Tanjung Priok from August 29 until September 12. This is the sixth exercise by two countries. It aims at enhancing the knowledge and capability of TNI to secure and defend its important installations including counter-terrorism.

August 29 "China launched new satellite" (People's Daily Online)

China successfully launched an experimental satellite, a Long March-2IV rocket onto orbit August 29. The satellite will help carry out scientific researches, land surveys, mapping, space tests, and so on.

August 29 "Russia implies Indian participation in trilateral joint exercises" (Hindustan Times)

Russian Defense Minister Sergei Ivanov said on August 29 that Russia will likely include the members of the Shanghai Cooperation Organization (SCO) together with India to joint-exercises with China in the future. India has recently been granted the observer status of SCO (July 2005) and has just finished a joint military exercise with the US. India also plans to conduct anti-terror exercises with Russia soon.

August 30 "Worldwide weapons deals reach highest level since 2000" (NY Times)

According to a new Congressional study announced August 29, the amount of arms deals in the world has reached the highest level since 2000 with nearly US\$37 billion. The US, the biggest exporter with \$12.4 billion, accounted for 33.5 percent of all contract worldwide followed by Russia with \$6.1 billion, or 16.5 percent of all such contracts. China is the largest importer over the last four years, with \$10.4 billion in deals from 2001 to 2004. India ranked second, with \$7.9 billion in deals. In 2004 only, India ranked top in total purchases with \$5.7 billion in arms purchases, Saudi Arabia was second with \$2.9 billion, and China was third in 2004, signing \$2.2 billion in contracts for arms purchases.

1.3 Diplomacy, International Relations and Security Cooperation**August 2 "Taiwan, Japan agree to set up task force" (Taiwan News)**

Japan and Taiwan have agreed to set up a working group to have talks every quarter aiming at settling disputes regarding the ongoing demarcated fishery. If any disputes arise between two countries before the next formal talks scheduled for March 2006, a meeting will be held by the working group to handle such situations. Japan has also agreed to inform Taiwan when Japan seizes any Taiwanese fishing boats.

August 3 "HMS York stops at Colombo" (Daily News)

HMS York, the UK Royal Navy guided missile destroyer sailed in Colombo Port August 2 on the way to an operational deployment to the Far East. The destroyer is expected to join the multinational forces exercise "Bersama Lima" off the coast of Malaysia.

August 4 "JWC rating Malacca dangerous zone fuels criticism" (The Jakarta Post)

In the wake of London underwriters' naming the Malacca Strait as one of the most dangerous places in the world, shipowners in Southeast Asian nations have strongly criticized the evaluation. The Singapore Shipping Association, Hong Kong ship owners, and Malaysian, Indonesian governments insist the piracy acts have reduced and no ships passing through the straits have become the targets of the terror attack so far. It is likely that insurers will raise the insurance rates in response to the London underwriters' evaluation. At the same time, Malaysia, Indonesia, and Singapore have agreed to start air patrols over the Malacca Straits.

August 5 "Philippines calls for formal Code of Conduct in the South China Sea" (Xinhua)

The Philippines' Foreign Affairs Secretary Alberto Romulo called for the early formulation of a conduct code in the South China Sea to the related nations at a press conference on August 5. The announcement was made after the close of the first meeting on August 5 of the ASEAN-China Joint Working Group on the Implementation of the Declaration on the Conduct of Parties in the South China Sea. The meeting is expected to be held biannually. He hoped that through the continuous dialogues the formal code of conduct will be established soon.

August 8 "India and Pakistan agree to ease military risks" (BBC News)

India and Pakistan agreed to take measures to alleviate risks of military conflicts between two countries at day-long high-level talks. The measures include an agreement to keep up a ceasefire along the Line of Control (LoC) in Kashmir area, a ban on building new military posts along the LoC, the continuation of an agreement regarding air space violation, and the improvement of an existing military hotline between senior military officials.

August 8 "Malaysia proposes ASEAN defense ministers meeting" (ABC-CBN News)

Malaysia proposes that ASEAN member nations hold a defense ministers meeting next year. Although such meeting has not been held before, analysts point out that in the background to the idea is the increase of the importance to share intelligence or cooperate among nations in response to the recent surge in terror attacks or violent actions by extremists. There has been no official response by other ASEAN member nations yet.

August 8 "Pakistan considers leasing Gwadar Port to private sector" (Daily Times)

Pakistan considers leasing Gwadar Port to private companies for the next 25 to 30 years. Gwadar Port is now under construction with Chinese-finance. At the moment one company, Singapore and Globe Marine has already shown interest in the plan.

August 11 "Britain to lift nuclear sanctions against India and Pakistan" (Hindustan Times)

In response to the agreement between the US and India on the use of civilian nuclear technology, Britain decided to lift its nuclear sanctions against India and Pakistan. Regarding the export of dual-use nuclear technology, case by case approaches will be taken on condition that all products must be used in facilities having safeguards control by IAEA.

August 30 "India, Pakistan agree to combat terror together" (Hindustan Times)

India and Pakistan agreed on August 30 to cooperatively take measures against terrorism and drug trafficking. Moreover, both sides agreed not to build defense bases along the Line of Control (LoC) in Kashmir anymore.

1.4 Resources and Environment**August 4 "China's import of crude oil will reach 130 mln in 2005" (Xinhua)**

According to the Ministry of Commerce of China, the country's amount of crude oil import in 2005 will reach 130 million tons, account for 6.8 percent of the world's total imports. It is estimated that China's total amount of import in 2005 will decrease from 2004 because of the soaring oil prices and softening demand.

August 11 "Indonesia, Malaysia agree to combat forest fires with rain-making" (The Jakarta Post)

Indonesia and Malaysia agreed on August 11 to combat forest fires that have been burning on the Sumatra island for more than one week by releasing rain-making. Malaysia this week declared a state of emergency in Kuala Selangor and Port Klang which are on the Sumatra-front. The smoke from the fires has interrupted shipping or flight schedules.

August 17 "India, China sign MoU for oil and gas development plans" (China Daily)

Chinese and Indian oil companies will sign a memorandum to enable two countries to jointly bid for international oil and gas development plans to reduce competition between two sides. The pact will be signed in the second half of this year (2005).

August 29 "CNPC acquire Canadian-registered oil company" (The Taipei Times)

Chinese oil company, the China National Petroleum Corp (CNPC) announced on August 29 that it had acquired Canadian-registered company, PetroKazakhstan for US\$4 billion. This is part of China's ongoing strategies to secure new oil-source mainly from Russia, the Middle East and North/South Africa. PetroKazakhstan has main office in Canada. It has all of its oil fields in Kazakhstan and controlled 12 percent of total oil production in the country.

August 30 "CNOOC will launch oil supply in the East China Sea" (Mainichi Shimbun)

On August 30, China's leading-oil company China National Offshore Oil Corp (CNOOC) announced at a press interview for releasing its first-half results in Hong Kong that it will launch oil supply which had been scheduled for this October at Ningbo, Zhejiang province. Regarding this matter, Japan has called for China to halt its operation and submit related data. Japan is concerned that China might siphon the resources crossing intermediate line into Japanese side in the East China Sea.

2. Intelligence Assessment

China and Russia conducted a major joint military exercises, named “Peace Mission 2005”, involved about 10,000 troops in the Russian Far East, near the city of Vladivostok and the Chinese coastal province of Shandong from August 18 to 25. The exercise sparked a lot of arguments over an influence of closer ties between two countries. In the part 1, we analyze the outlines of the drill from various information and data.

On the other hand, we compiled series of movements by each country over the security of the Malacca Straits in the part 2. It has got a fresh reminder of the security of the straits since the Lloyds Joint War Committee categorized the Malacca Straits as the high risk zone for piracy and terrorism. It has also been concerned that the influence of recently increasing terrorist or bombing acts in the area might spill over to ships passing through the strait.

In connection with the security in the northern part of the Malacca Straits, there have been some movements between Myanmar and China in the Andaman Sea. In part 3, we take up the matter with reference to a noticeable article in Asia Times on Wednesday, 17 August.

2.1 Aim and geostrategic influence of China-Russia joint military exercises

(1) Outline of the exercises

According to a press release from Chinese Defense Ministry on August 2, China-Russia held their major joint exercises, named “Peace Mission 2005” from August 18 to 25 aimed at deepening mutual trust between the two countries, promoting mutual friendship, and improving capabilities to cope with international terrorism, extremism and separatism. And both sides carried out the exercises in line with the guidelines and purposes of the United Nations, complying with the international laws recognized widely, and respecting state sovereignty and maintenance of the territorial integrity of other nations.

The maneuvers involve various types of vessels and aircraft with up to about 1,800 Russian and more than 7,000 Chinese troops, according to various source materials by both China and Russia. In the meantime, Japan Maritime Self-Defense Forces had visual contact with Russian vessels, one Ropucha II LST, one Sovremenny DDG, one Udaloy DDG, a supply ship and an oceangoing tug boat sailing down the Tsushima Straits on August 9. On August 12, those vessels arrived in eastern Chinese port of Qingdao, where the headquarters of the North Sea Fleet of the PLA Navy are located. The maneuvers are conducted in three stages as follows:

First-phase (August 18)

In the first phase of the exercise, military staff officers of both sides conducted command post exercise of strategic course of intensions, battle planning, and transportation/deployment of military units at the Headquarters of Russia's Pacific Fleet in Vladivostok. Chief of Staff of the Chinese People's Liberation Army, Liang Guanglie and his Russian counterpart Yury Baluyevsky attended the first phase.

At a press interview on August 18, Liang Guanglie said that the joint exercises would have a significant meaning for a strategic partnership between the two sides. He also stated that enhancing a strategic cooperation would help contribute to their efforts to cope with new challenges and various threats under the complicated and changing international and regional situation. Yury Baluyevsky said that the drills were a new symbol of the China-Russia military cooperation, in a reflection of the joint efforts by both sides to contribute to the world and the region's peace and stability. Then he stressed the drills didn't mean that both sides wanted to establish a military block that would be a big threat to any other countries.

Second-phase (August 20-22)

The 2nd phase of the exercise was carried out in China's Shandong Peninsula and its neighboring Yellow Sea area. The main purpose of the second phase is to transport and deploy military units and to coordinate decision-making process to handle their common threats. This is the first time for Russia to develop their troops into Chinese territory and for China to conduct such an ever-broadening joint exercise with foreign troops on Chinese soil since the termination of World War II.

Third-phase (August 23-25)

The 3rd phase – the high-light of this particular joint exercises – was the live-fire drill held on August 23-25. Based on the scenario to stabilize a riot-stricken country at the request of the United Nations, offshore blockade and land battle exercise followed by amphibious landing were carried out. The offshore blockade was conducted at seawater off Shandong Peninsula, in the offing of the Yellow Sea on August 23. The maneuver focused on air-to-air combat to take air control over the naval blockade area, antisubmarine operation guided by early warning planes and patrol planes, and bombing campaign to enemy fleets accompanied by planes, surface combatants and submarines. From Chinese side, three destroyers, three frigates, two submarines and 20 aircrafts, and from Russian side, an anti-submarine destroyer, a missile destroyer, shipboard helicopters and an A-50 early warning plane joined the exercises. Amphibious landing exercises were conducted on August 24. The operation targeting shore accompanied by destroyers with cannons was carried out, followed by landing exercise with armored landing vehicles, paratrooper jumping from three transport aircrafts, landing operation by more than 40 landing vehicles, and raising 32 armored carriers to the beach from waters by three landing crafts. On 25, both troops launched a landing attack operation. Under the command and control of an A-50 early

warning plane, the following exercises were conducted: attacks on airports and bases of the enemy troops by two Russian Tu-95MS strategic bombers and four Tu-22M3 Russian long-range bombers; attacks on the enemy troops by 18 fighter jets in nine batches; bombardments by the frontline land forces; fire of bombs that were carrying propaganda leaflets to the enemy region; drop of 24 combat vehicles and 86 parachute units from 10 IL-76 transport planes escorted by electronic-jamming planes and fighter jets.

Chinese Defense Minister Cao Gangchuan and Russian counterpart Sergei Ivanov attended the third-phase of drill to watch the operation. As well, the defense ministers from the members of the Shanghai Cooperation Organization (SCO) were invited, including Kyrgyz Defense Minister Ismail Isakov, Tajik Defense Minister Sherali Khairullaev, Kazakh Deputy Defense Minister Abai Tasbulatov and Uzbekistan Deputy Defense Minister R. Niyazov, together with representatives from observer countries of SCO such as Mongolia, India, Pakistan and Iran.

On the other hand, although the US and Japan had been given advance notice of the joint exercises, they hadn't been invited to watch the joint exercises as observers. The US Secretary of Defense Rumsfeld had no particular comment on the exercises (he stated at the interview on 23 "What I would say is that nations have exercises all the time") however, Admiral Gary Roughead, the new Commander of the Pacific Command said his country is still getting a close look at the exercise. He also mentioned his doubt about China's real intention of its rapid military modernization. (The Washington Times, Aug.18) Two EP-3 spy planes and at least two ships were reportedly sent to the area by the US military. (The Sydney Morning Herald, Aug.22) Japanese Defense Agency chief Yoshinori Ono said at a press interview on August 12 that Japan had to give close attention to China-Russia relationship, including this time's joint exercises.

On 25, after the close of the joint exercises, Ivanov said that this time's large-scale joint exercises have proven that their military cooperation level is high and that the two countries will continue conducting joint military exercises in the future. Cao said the joint exercises have strengthened their strategic cooperative partnership, adding they will promote bilateral defense cooperation in the future. He also said SCO will play an important role to the region in maintaining peace and stability and accelerating economic development. Meanwhile, for some unknown reason, Chinese president Hu Jintao didn't show up for the joint exercises to watch their operations despite the fact that the exercises are considered to be significant to China.

(2) The aim of the exercises

The purpose of an official announcement of the China-Russia exercises is to train joint capabilities to cope with international terrorism, extremism and separatism under the request of the United Nations based on a scenario prediction of stabilization in a riot-stricken country. However, it fueled various sorts of speculations among other nations about the real aim of this joint exercises due to the scale of military power, locations/details of the exercises, and invited

participants as observers from members of SCO and other observer states. Judging from various news reports regarding the matter, at least the following three facts can be pointed out:

First of all, as many experts have said, it is apparent that China's true purpose of the exercises lies in Taiwan due to various phases of the exercises: the number of military mobilization in the maneuver to counter separatism, locations of the exercises and some specific exercises such as sea blockade and landing operation.

Elizabeth Wishnick, a research associate at Columbia University's Weatherhead East Asian Institute says in *Pac Net*, No.35 that while Russia initially suggested carrying out the joint exercise in Xinjiang autonomous where is close to the Russian air base at Kant in Kyrgyztan, China hoped Zhejiang province, near the Taiwan Straits. However, Russia opposed its counterpart's idea, claiming it's too provocative. Accordingly, both countries agreed to hold the drills in Shandong province. Despite the importance of the relationship with SCO, the joint military exercises were conducted off the Shandong Peninsula where is far away from Central Asia. Besides that, both China and Russia poured in grand-scale air and ground troops to the joint exercises to conduct offshore blockade and amphibious landing. From these facts, we can see what China's real intention of the joint drills is. Needless to say, China's biggest threat in separatism is the existence of Taiwan. According to "Annual Report to Congress: The Military Power of the People's Republic of China 2005" published by the US Defense Department on July 19, "The PLA (the Chinese People's Liberation Army)'s prospects in an invasion of Taiwan would hinge on: availability of amphibious and air lift, attrition rates, interoperability of PLA forces, the ability of China's logistic system to support the necessarily high tempo of operations, Taiwan's will to resist, and the speed and scale of third-party intervention."

On the other hand, it appears that Taiwan grasps China's real intention of the exercises, as well. From Taiwan's standpoint, it is no wonder that the China-Russia maneuvers appear to be part of a rehearsal to invade Taiwan, in light of the enactment of Anti-Secession Law in March 2005. On the eve of the China-Russia joint exercises, Taiwan's military conducted an exercise stimulating an invasion from China. The exercise involved about 3,000 troops and jet fighters. Taiwanese foreign ministry spokesman Michel Lu said on August 18 that maintaining peace and stability in the Taiwan Strait is crucial to the Asia Pacific region and the whole world, and no country is allowed to conduct any acts threatening regional peace and stability. (The Taipei Times, August 19, 2005)

Secondly, from Russian side of view, the exercise turned out to be a timely exhibition to sell Russian-weapons to China. To Russia, there is no benefit that can be gained from Chinese military commitment to Taiwan. Therefore, Russian's main purpose of the exercises seems to sell its weapons to China. In fact, China is the biggest weapons-purchaser, with the amount of US\$ 2 billion on an annual basis. According to the previously-mentioned "Annual Report to Congress:

The Military Power of the People's Republic of China 2005", China has purchased more than 85 percent of its weapons from Russia since the early 1990s. So far China has acquired a right of license production or purchased a wide variety of weapons from Russia such as combat aircraft, air-to-air missiles, transport aircraft, air refueling tankers, destroyers, submarines and so on. In this regard, currently China gives great attention to Russian Tu-95MS Bear strategic bombers and Tu-22M3 Backfire long-range bombers. Both types were used this time. According to a military commentator Viktor Litovkin, China has shown interest in Backfire and it seems that China is currently under negotiation with Russia over purchasing about 10 units and license production. Backfire is a bomber which was launched deployment in 1960s and is known as Russia's symbol of military forces build-up in the cold war era. It is capable of carrying nuclear warheads. Hence, acquiring backfire will enable China to enhance its military power against and beyond Taiwan.

Thirdly, as both Chinese and Russian defense ministries mentioned previously, both countries appear to emphasize the strong ties with SCO. As far as the US presence in Central Asia is concerned, both China and Russia share a mutual interest even though they share few interests in Central Asia. And both countries currently face threats posed by extremism and separatism in the region. The members of SCO approved the participants of Iran, India and Pakistan as observers in a joint statement at a summit in July 2005. Furthermore, they called for the US-led forces in Afghanistan to set the date of withdrawal from Afghanistan and the base of Uzbekistan and Kyrgyzstan. As stated previously, defense ministries and deputy secretaries of defense from the SCO member countries together with from observer countries were invited to the China-Russia joint military exercises. In the past, China carried out a bilateral anti-terror exercise with Kyrgyzstan and the members of SCO in October 10-11, 2002, and carried out first multilateral anti-terror joint exercises with Kazakhstan, Kyrgyzstan, Russia and Tajikistan as the framework of SCO in August 6-12, 2003. According to The Hindustan Times on August 30, Russian Defence Minister Sergei Ivanov told reporters on August 29, 2005 that "I think more Russian-Chinese military exercises will be held, and other members of the SCO will probably take part in them, including countries with observers status like India," India and Russia are expected to hold their first anti-terror joint exercises in Rajasthan province, India in October 2005. As well, according to the paper, Russia in Caucasus, India in Kashmir, and China in Xinjiang have to handle Islamic terrorists and extremists who have bases in Pakistan and Afghanistan, and therefore, the following ideas have gotten a grip on reality: strengthening of the SCO, and the alliance of Russia-India-China triangle which were first proposed by Russian premier of the time, Yevgeny Primakov in 1998.

There are several views among analysts about whether these movements will lead to the transformation of the SCO into NATO-style security alliance. According to The Christian Science Monitor on August 17, 2005, some analysts say both Moscow and Beijing hope to reorganize the SCO to NATO-type organization as a core of strategic cooperation. In the mean time, Russia

announced that it will double its troop's size of the air base in Kant, Kyrgyz together with open a new intelligence-gathering base in Tajikistan and launch a joint military exercise with Uzbek this fall (2005). The paper also states that China conducted high-level talks with Russia about establishment of a Chinese military base in Kyrgyz. On the other hand, the above stated Wishnick says the SCO is less likely to turn into a NATO-style organization and Russia is more dismissive about the idea that the SCO will play the role of collective security as a Eurasia-version NATO in the future. Russia, rather expects to keep such function within the Commonwealth of Independent States (CIS). However, Turkmenistan has just announced its intention to withdraw from CIS at a summit in Russia on August 26 (Sankei Shimbun, August 26, 2005). Like this, it seems that now, CIS doesn't exactly function as Russia expects.

(3) Strategic meaning of closer China-Russia ties

To develop closer military ties between China and Russia has three important strategic meanings in light of their relationship with the US.

First meaning is a current trend of mono-polar world centered around the US. Second is a response to the US military presence in Central Asia. Third is an influence over a military balance in the Asia Pacific region. As pointed out in the monthly report in the July 2005 issue, to China, a common challenge to the said three matters is how to counter such "encirclement" by the US in the region. Ariel Cohen, a senior research fellow at the Heritage Foundation, the US-conservative think tank, pointed out in the article titled "Peace Mission` Against the U.S.?" in the Washington Times issued on August 25, 2005 that "Moscow and Beijing view U.S. predominance in the post-Cold War world as a threat to their power. The "Peace Mission 2005" is seen in Washington as a historic rapprochement between old rivals, which the terrorist attacks of September 11 interrupted. A steadily improving Sino-Russian close partnership may lead to severely limiting, if not denying, U.S. strategic presence in the Eurasian land mass from the Pacific Ocean to the Baltic Sea." As was pointed out in the previous issue of Monthly Report of July 2005, these movements have already arisen.

Considering Chinese and Russian challenge against the mono-polar world led by the US, Chinese President Hu Jintao and Russian President Vladimir Putin signed the Joint Statement of the People's Republic of China and Russian Federation Regarding the International Order of the 21st Century in Moscow on July 1. Two sides called for creating a new world order substitute for the US hegemony. Both countries share a common multipolar-world-view and do not embrace democratization-logic advocated by the US. Regarding the unipolar domination by the US, Shanghai Normal University's military expert, Ni Lexiong said that the joint military exercises are a defensive action driven by the US growing involvement in Central Asia. He also left a meaningful comment "The message from China and Russia is clear cut for the US: we have at least one card left in response to America's expansion of influence, that is military alliance," (Asia News.it, August 18, 2005)

As for the US presence in Central Asia, while Uzbekistan has already called for the US troops to leave the country's air base, Tajikistan and Kyrgyzstan have given permission to the US to use their air bases on goingly. According to the Washington Times published on August 24, Kazakhstan's foreign minister Kasymzhomart Tokayev said on 24 that he would support the U.S. military operations in Central Asia and that Kazakhstan has urged neighbor countries to hold back calling for the US troops' eviction from the region. He also said that both the US military presence since the Afghanistan war in 2004 and China's emergence as both regional and global power have brought about the second coming of "Great Game", compete for influence among big nations in the 19th century. He added, given the geopolitical and strategic importance in the region, it is natural.

In the 21st century's "Great Game", one of the targets for all of the major countries is an oil resource from the west coast of the Caspian Sea to Central Asia. Some countries have already scrambled for the oil resources via pipeline construction. Particularly, big three powers – the US, China and Russia – believe India sits in the strategically significant area in the power game. Each of the US, China and Russia has worked to strengthen bilateral relations with India. Moreover, India has got the status of SCO observer. India is located in the middle of the sea lanes stretching from Middle East to Northeast Asia and the terrain can be compared to a wedge driven into the Indian Ocean. Hence, in the 21st "Great Game", military power movements by the US, China and India are important factors in the west and east coast of the Indian Ocean. Accordingly, Japan should not disregard for the "Great Game", as well.

Also, Asia-Pacific region is not unrelated to the new Great Game. In view of the military balance in the Asia Pacific region, China's supremacy in the cross-strait issue will have a significant impact on the security of Japan, especially on the security of sea lanes. Considering that China-Japan dispute over resources development in the East China Sea will be likely to aggravate in the future, maritime security in this area will be a matter of serious concern for alliance of Japan and the US. There is no doubt that China-Taiwan issue will have an important consequence for both Japan and the US in the future.

In "The Grand Chessboard" published in 1997, the author Zbigniew Brezezinski, Assistant to the President Jimmy Carter for National Security raises a question, "What is the practical definition and – from American point of view – the acceptable scope of China's potential emergence as the dominant regional power and of its growing aspirations for the status of a global power?" This has become more serious issue not only for the US but for all the involving countries, and it would not be an exaggeration to say that this is the core theme of the 21st century's "Great Game".

2.2 Malacca Straits security engagement by neighbor states

The securing of stability in the Malacca Straits has become even more an important issue than ever since, the Lloyd's Joint War Committee declared the straits as a war-risk area at the end of July, 2005. Particularly, there have been mounting concerns that the recent frequent occurrence of terror activities or bombing incidents in Asian regions might spill over to ships crossing the straits.

Among the significant movements in the region in August 2005 was the Fourth Tripartite Foreign Ministerial Meeting among the littoral three states ---Malaysia, Indonesia and Singapore (MALSINDO) in Batam on August 1-2. Concurrently, the Chiefs of Defense Forces of Malaysia, Indonesia, Singapore and Thailand Informal Meeting (CDF-MIST Informal Meeting) was held in Kuala Lumpur, as well.

At the Tripartite Ministerial Meeting, the ministers reconfirmed the sovereignty and sovereign rights of the littoral states over the Malacca Straits. They also clarified the littoral three states bear a primary responsibility over the safety of navigation, environment protection and maritime security in the straits. At a press briefing after the meeting the ministers urged the Lloyd's Joint War Committee to reconsider its risk assessment. On the other hand, at the CDF-MIST Informal Meeting, it was agreed by each military commander to establish two working groups to materialize the concepts of maritime security on the MALSINDO framework and the "Eye in the Sky" over the straits. The "Eye in the Sky" concept will launch from September with mobilizing existing military forces from the three littoral states such as maritime patrol aircraft under the planning and arrangement of MALSINDO.

The Singapore Shipping Association (SSA) announced on August 3 that it would ask the Lloyd's Joint War Committee to review its decision to designate the straits as dangerous area, and that it would support MALSINDO's plan to implement joint air patrols over the Straits. The association also said it believes there is no imminent threat to shipping in the Malacca Straits and the Joint War Committee decision was based on a fundamental misunderstanding of potential threats from terror organizations. The SSA's president points out the following three reasons as grounds for its assertion:

First of all, although the Malacca Straits, seen from afar, may seem to be a more dangerous area because of various piracy reports, yet, the local parties see piracy acts in the region have been declining. (In fact, piracy attacks including attempted cases during the first half of this year have declined to 8 from 20 in the same period of last year, according to the International Maritime Bureau statistics for the first half of 2005 published on July 19. On the other hand, the Indonesian archipelagic waters still remain a piracy-infested area with 42 cases to date this year,

while 50 cases were reported from the area in the first half of last year)

Secondly, in most cases, pirates in the Malacca Straits target small coastal vessels and they haven't targeted seagoing crafts before.

Lastly, there has been no terrorist-attack reported from the Malacca Straits. Moreover, Malaysia, Singapore and Indonesia have made efforts together to eradicate the threat of possible terrorist attacks in the future. (SSA's Internet website <http://www.ssa.org.sg>)

In reaction to that, the Lloyd's Joint War Committee has refused to retract its decision to list the Malacca Straits as an area at risk from terrorism and piracy. The Committee confirms that the straits will remain on the list until it will come into clear view that the measures by government and other related agencies in the region will have been implemented and achieved its effect. (Lloyd's List, Aug.17)

According to the Jakarta Post on August 31, Thailand is expected to join a MALSINDO air patrol to secure the northern parts of the Malacca Straits. The Indonesian defense forces (TNI) Commander General Endriartono Sutarto said on August 31 that the TNI will formulate standard operating procedures (SOP) to secure the Malacca Straits together with Thailand. SOP with Thailand will be completed in early September, while SOPs with Malaysia and Singapore have already been formulated.

2.3 Recent China-Myanmar movements in the Andaman Sea

There appeared an interesting article in Asia Times on August 17 about the recent movement between Myanmar and China in the Andamans and the surrounding waters. The author is an Indian journalist, Sudha Ramachandran. In the article under the title of "Myanmar plays off India and China," he points out as follows:

1. Currently a joint intelligence operation is conducted between China and Myanmar near the Andaman and Nicobar Islands. Sino-Myanmar cooperation in the Andaman waters is not a new movement. India has monitored the situation for several years.
2. About the location: The Andaman and the Nicobar Islands are situated at the points which separate the Bay of Bengal from the Malacca Straits. It is more than 1,200 kilometers from India, whereas it is only 90 kilometers from Indonesia and 50 kilometers from Myanmar. And Myanmar's territory, the Coco islands are located about 45 kilometers to the north of the Andaman Islands.
3. Myanmar government leased the Coco Island to China in 1994. China built a maritime

reconnaissance and electronic intelligence station on the Great Coco and is now constructing a base on the Small Coco Island. Due to their advantageous locations, these facilities are strategically important for China. In addition, China appears to train Myanmar's intelligence officers.

4. India's first joint command, the Joint Andaman and Nicobar Strategic Defense Command set up its headquarters in Port Blair in the Andaman Islands.
5. The Coco islands are situated at an ideal place so that China can monitor both movements of the Indian naval establishment in the Andaman and Nicobar Islands, and movements of the Indian and other countries' navies in the eastern Indian Ocean. On the other hand, India believes China is watching India's missile-testing sea-based facilities at Chandipur that are located in the eastern coastal state of Orissa.
6. With China's rapidly growing presence in the region, India has strengthened naval and air surveillance systems against China's ship movements in the waters. Besides, India has carried out joint maritime exercises with the Malaysian and the Singaporean navies in the Andaman Sea.
7. Indian defense analyst Rahul Bedi points out: to address the "Malacca dilemma," which constitutes a major drawback of China's sea lanes, China now envisages its access to the Indian Ocean by creating a detour connecting the Myanmarese capital Yangon with Kunming, capital of Yunnan province of China, both by river up the Irrawady and by land. (China has already built a highway from Kunming to the Shewli river on the Myanmar border) The Chinese government submitted a proposal to the Myanmar military junta for the construction of a road to Singkiang for access to the Irrawady River running through Yangon.

As indicated in the July issue of this Report, although it seems that China does not have the capacity to maintain presence around the Andaman Sea area so far, these movements can be a good predictor of a possible-future conflict between Chinese and Indian navies in the Indian Ocean. Since the waters in question are critical to the security of Japan's sea lanes, we must keep a close eye on future developments in the region.

Link

ABC News	http://abc.net.au/news/
ABC-CBN News	http://www.abs-cbnnews.com/
AFP	http://www.afp.com/home/
AlterNet	http://www.alternet.org/
ANTARA NEWS	http://www.antara.co.id/en/
BBC News	http://news.bbc.co.uk/
Channel News Asia	http://www.channelnewsasia.com/
China Daily	http://www.chinadaily.com.cn/english/home/index.html
CNN	http://www.cnn.com/
Daily Times	http://www.dailytimes.com.pk/default.asp?date=9/12/2005
DefenseNews.com	http://www.defensenews.com/index.php
Herald Sun	http://www.heraldsun.news.com.au/
Hindustan Times	http://www.hindustantimes.com/news/7446_0,00050002.htm
INQ7.Net	http://www.inq7.net/
Jane's Defence Weekly	http://jdw.janes.com/
Japan Today	http://www.japantoday.com/
Khaleej Times	http://www.khaleejtimes.com/index00.asp
Mainichi Daily	http://mdn.mainichi-msn.co.jp/
Novosti	http://en.rian.ru/
People's Daily Online	http://english.peopledaily.com.cn/
Reuter	http://today.reuters.com/news/default.aspx
Taiwan News	http://www.etaiwannews.com/
Tempo Interactive	http://www.tempointeractive.com/
The Associated Press	http://www.ap.org/
The Daily News	http://www.dailynews.lk/
The Dawn	http://www.dawn.com/2005/08/02/index.htm
The Financial Express	http://www.financialexpress.com/
The Jakarta Post	http://www.thejakartapost.com/headlines.asp
The Korea Times	http://times.hankooki.com/
The New York Times	http://www.nytimes.com/
The Taipei Times	http://www.taipeitimes.com/
The Times of India	http://timesofindia.indiatimes.com/
The Washington Post	http://www.washpost.com/index.shtml
The Washington Times	http://www.washtimes.com/
World Peace Herald	http://www.wpherald.com/
Xinhua	http://www.xinhuanet.com/english/

Ocean Policy Research Foundation

3F, Kaiyo Senpaku Bldg., 15-16 Toranomom 1-Chome, Minato-ku, Tokyo 105-0001, Japan
TEL.81-3-3502-1828 FAX.81-3-3502-2033

The "Ship & Ocean Foundation" is operating under the name of "Ocean Policy Research Foundation" from April 2005