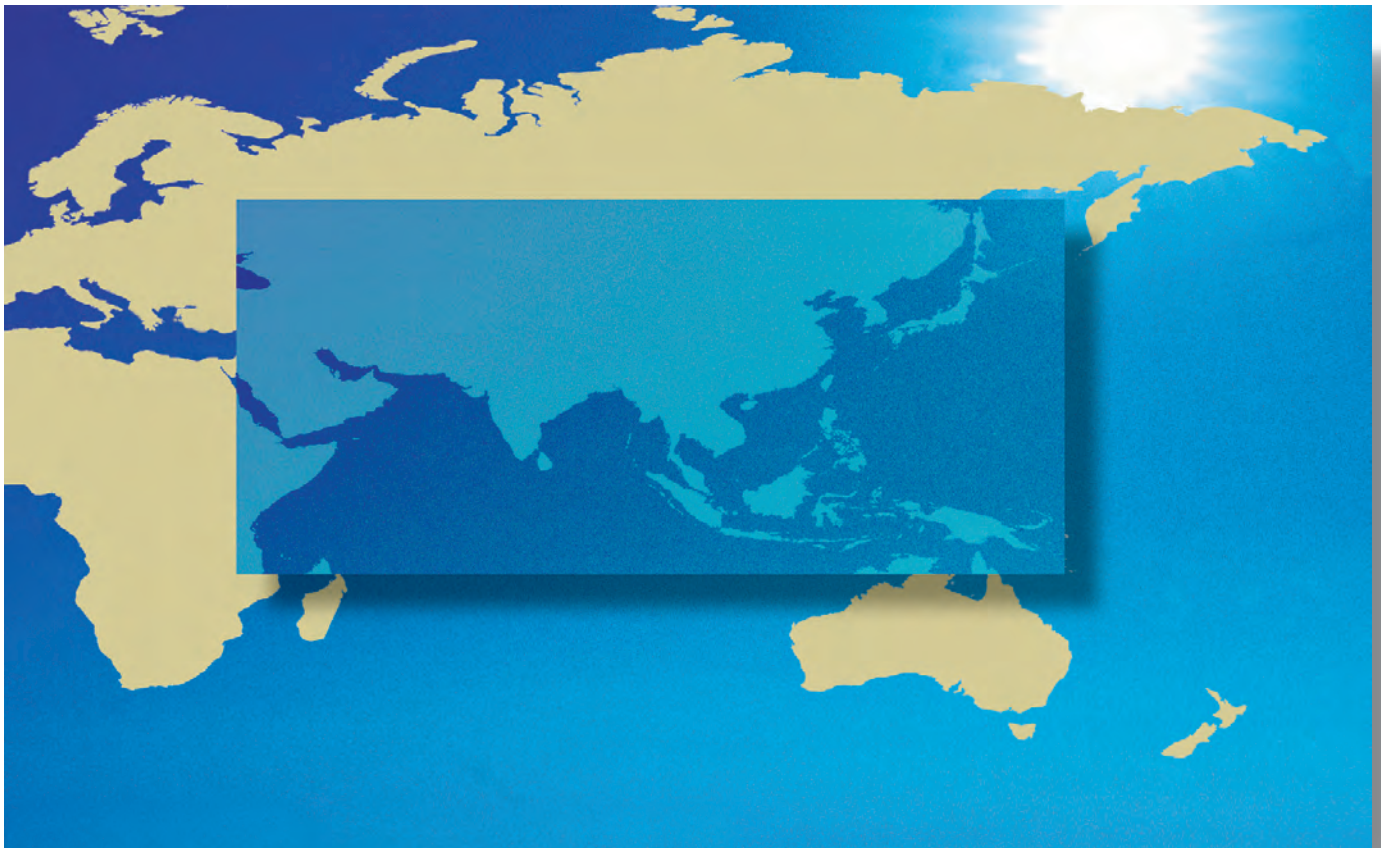


OPRF MARINT Monthly Report

December 2005



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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.

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Introduction

As one of the main events of December 2005, four littoral countries of the Malacca Straits (Indonesia, Singapore, Malaysia and Thailand) are expected to sign a series of standard operating procedure (SOP) to carry out their coordinated patrols in the sea lanes. The SOP will enable a patrol ship of one of the littoral countries to enter the territorial waters of another country to chase person engaged in criminal acts provided that it will not fire weapons or perform other military actions. On the other hand, Brunei, Indonesia, Malaysia and the Philippines agreed to launch patrols in waters around the southern Philippines, aimed at dealing with cross-border crimes and strengthening security in the region.

In military security matter, it revealed that India's second aircraft carrier Admiral Gorshkov which was acquired from the Russian Navy will arrive in Mumbai around the first half of 2008. Currently the aircraft carrier is partly under modifications. It is also expected to be furnished with Indian equipment. The carrier will undergo an official trial for one year in Russia before leaving India. The navy plans to build a number of new vessels in the future. Like this, India's buildup of its war capacity is worthy of remark. The Chinese warships, missile destroyer Shenzhen and supply ship Weishanhu arrived at Thailand's Sattahip Naval Port, Thailand on December 9 and stayed there for four days. To the warships, Thailand was the final stop, followed by their visits to Pakistan and India in November 2005.

The historic first-ever East Asia Summit (EAS) was held in Kuala Lumpur, on December 14. Participants to this summit consisted of the 10 members of the Association of Southeast Asian Nations plus China, Japan and South Korea, as well as Australia, New Zealand, and India. After the meeting, the Kuala Lumpur Declaration on the East Asia Summit was adopted and signed by the leaders of participating countries. Details are included in the Chapter 2, "Intelligence Assessment".

Completion of China-Kazakhstan pipeline is one of the distinct topics in Resources and Environment field. The 1,000km-long pipeline will link Atasu in central Kazakhstan to Alashanku, Xinjiang region in western China, and will be the first major pipeline that does not cross Russia. It would be in full operation by the middle of 2006, providing a new oil source for China to develop its western Xinjiang region. Such China's steady expansion of energy strategy will draw more and more attention in the future.

1. Intelligence Bulletin

1.1 Law and order

December 2 "Malaysia kicks off coastguard patrols in the Malacca Straits" (ABC Radio Australia, December 2, 2005)

Malaysia's Deputy Prime Minister Najib Razak said the Malaysian Maritime Enforcement Agency (MMEA) had started its patrol activities with three vessels on November 30. The MMEA is the first integrated organization in the country managing maritime security. The MMEA is based at Lumut Naval Base in Malaysia's northern Perak state and is expected to expand its activities to Malaysia's other territorial waters.

December 4 "Security in the Malacca Straits becomes global issue" (BERNAMA, December 4, 2005)

The Lima International Maritime Conference 2005 was held at Awana Porto Malai, Langkawi, Malaysia on December 4. Deputy Prime Minister Najib Razak said the Malacca Straits' security is not a regional issue anymore, stressing as follows: (1) Although piracy or robbery do not pose serious threats, there is a chance that piracy acts could occur as instruments of terrorists. (2) Hence, there needs to be appropriate measures according to threats. Rights of sovereignty in each country must be taken into account, as well. The next day, Defence Chief Admiral Mohamed Anwar Mohamed Nor said Malaysia considers asking its Asian neighbors, like India, to provide photographs of ships before entering the Malacca Straits in order to strengthen security in the waters.

December 8 "International Symposium on Marine Safety in the South China Sea was held" (Xinhua, December 9, 2005)

The International Symposium on Marine Safety in the South China Sea was convened on December 8 in Haikou, Hainan Province of China. With the participation of the United Nations, International Maritime Court, China Maritime Safety Administration, maritime departments representatives from the US, Britain, Canada, Hong Kong and Taiwan, piracy and terror threatening the stability in the region and other topics were discussed at the two-day symposium. At the symposium, it was stressed that coastal countries around the South China Sea should work with coalition to ensure the safety of maritime transportation in the waters.

December 9 "Australia considers sending aircraft to the Malacca Straits" (AAP, December 9, 2005)

On December 9, after the meeting with Malaysian Deputy Prime Minister Najib Razak at Kuala Lumpur, Australian Foreign Minister Alexander Downer told reporters his country is considering sending RAAF P-3C Orion aircraft to help air patrol activities over the Malacca Straits. Having

regard to the fact that Indonesia and Malaysia are sensitive about foreign countries' involvement in the waters due to sovereignty issue, he said, the patrol aircraft would fly only with observers from one of the three littoral states on board. He also said that although Australia had not got permission to Indonesia about the idea yet, Indonesia probably wouldn't oppose it, he added.

December 10 "Four littoral states in the Malacca Straits to sign SOP" (Xinhua, December 10, 2005)

Chief of the Indonesian Navy's Western Fleet Command, Rear Admiral Tedjo Edhy Purdijatno said on December 10 that four littoral countries of the Malacca Straits (Indonesia, Singapore, Malaysia and Thailand) are to sign a series of standard operating procedure (SOP) to carry out their coordinated patrols in the sea lanes. The SOP will enable a patrol ship of one of the littoral countries to enter the territorial waters of another country to chase person engaged in criminal acts provided that it will not fire weapons or perform other military actions.

December 11 "Four nations in Southeast Asia agreed to patrol in south Philippine waters" (Reuters, December 11, 2005)

On December 11, Brunei, Indonesia, Malaysia and the Philippines agreed to launch joint sea patrols in waters around the southern Philippines in order to deal with cross-border crimes and to beef up security in the region.

December 24 "Hijacked tanker recovered in Indonesia waters" (ICC Commercial Crime Services, December 25)

A Dominican Republic vegetable-oil-loaded tanker, MT STEADFAST, sailing for China from port of Palembang, Indonesia on December 18, disappeared over the sea on the following day. The International Maritime Bureau (IMB)'s Piracy Reporting Centre (PRC) immediately raised alerts to all ships and authorities in the region. China cooperated closely with Vietnamese, Kampuchean, Singapore authorities and the Indonesian Navy to seize the missing tanker if it entered the territorial waters. The tanker headed back to Indonesia and in the end the pirates abandoned it on December 24 in Indonesian waters. The 25 crew members, cargo and vessel were safe. This was the first case in 2005 where such kind of tanker was hijacked.

December 29 "Singapore shipowners want to remove the Malacca Straits from war risk area list" (The Straits Times News, December 30 2005)

Singapore shipowners association, the Singapore Maritime Foundation (SMF), has been asking the Lloyd's Market Association's Joint War Committee (JWC) to remove the Malacca Straits from its list of war risk zones. The SMF seeks the abolition of extra insurance fees in the amount of US\$5,000 per trip, because the risk of terrorism in the Malacca Straits has decreased.

1.2 Military security

December 1 "India's second aircraft carrier to arrive in Mumbai in 2008" (PTI, December 1, 2005)

Indian Western Naval command, Vice-Admiral Madanjit Singh said on December 1 that India's second aircraft carrier Admiral Gorshkov, acquired from the Russian Navy would arrive in Mumbai around the first half of 2008. Currently, the aircraft carrier is partly under modifications. It is also expected to be furnished with Indian equipment. The carrier will undergo an official trial for one year in Russia before leaving India. Singh said its indigenous aircraft carrier will be ready within eight years, and by that time, the naval version of Light Combat Aircraft will also be ready. The Navy has constructed an operational base for UAVs (Unmanned Aerial Vehicles) near Porbunder in Gujarat and has evaluated a ship-launched version of the UAVs.

December 2 "Indian Navy says it will study Chinese navy's 'intentions'" (Newkerala.com. December 2, 2005)

Indian Navy chief Admiral Arun Prakash told reporters on December 2, after Sino-India joint naval exercises, that India will keep close eyes on the long-term intentions of Chinese naval forces. Two Chinese warships, missile destroyer Shenzhen and supply ship Weishanhu sailing into Kochi harbor. Then both navies conducted their second joint military exercise at the harbor. This was the first time that Chinese forces carried out military exercises in Indian territory. They conducted their first joint military exercise in 2003 off Shanghai.

December 2 "Indian Navy to get over 60 warships in the future" (Pak Tribune, December 3, 2005)

Indian Navy had ordered 27 warships, including patrol boats and frigates, and had obtained "in principle" permission of building another 36 vessels from the government, according to the navy's chief Admiral Arun Prakash. He said on December 2 that these vessels would be equivalent to maintain the navy's current force level of about 130 ships. No other navy has pursued a project with such a large scale before. He also said although the navy had decided to go with the indigenous way in the future, the navy has begun negotiations with Russia to get another three of Talwar-class frigates. The navy had purchased three such warships from Russia in the late 1990s. The navy will review the offer from the US to lease two P3C Orion long-range patrol aircraft and to acquire new helicopters to replace its aging Sea King helicopter fleet. The navy is now in the final phase of price negotiations with the US for purchasing two deep submergence rescue vessels (DSRVs). Prakash said it would take a few years to acquire the DSRVs. In the meantime, India and the US have reached an informal agreement to aid Indian submarines when they are wrecked.

December 6 "Australian AP-3C Orion to visit the Philippines" (Australia Department of Defence, December 6, 2005)

An Australian Defence Force AP-3C Orion aircraft will visit the Philippines to display its ability to monitor the movements of terrorists and criminals from the ocean. Defence Minister Robert Hill said "Maritime security remains integral in preventing terrorists and criminal groups from moving in and around the southern Philippines. The particular concern is the movement of Jemaah Islamiyah from Indonesia north through the archipelago to Mindanao." The Philippines Navy, Air Force and Coast Guard together with the Royal Australian Navy will join the biennial maritime patrol activity, named "LUMBAS 2006" in 2006. LUMBAS 2006 will also include a maritime based command post training activity by maritime security agencies.

December 9 "Singapore Navy launches its fifth frigate, RSS Stalwart" (MINDEF SINGAPORE, December 9, 2005)

The Singapore Navy's fifth Formidable-class frigate, RSS Stalwart was launched on December 9. Ministry of Defence (MINDEF) had signed a contract with France on constructing six frigates in March 2005. Since then, five frigates have been built in Singapore. The RSS Stalwart is the fourth of such domestically-built frigate. The first Formidable-class ship arrived in Singapore on July 8, 2005. It is now under trial and will come into commission in 2007. The RSN's stealth frigates (3,200 tonnes) have enhanced anti-air, anti-surface and anti-submarine fighting capabilities. It also has the ability to serve as platforms for naval helicopters.



A Formidable-class frigate

(Source: MINDEF SINGAPORE, December 9, 2005)

December 13 "India, Sri Lanka to hold joint naval drill" (TamilNet, December 11, 2005)

Indian Navy and the Sri Lanka Navy (SLN) are expected to conduct a joint maritime exercise from December 13 to 19 in Sri Lankan waters. This is the first joint exercise for both countries.

December 13 "China, Thailand conduct joint military exercise" (CRI, December 13, 2005)

The navies of China and Thailand on December 13 conducted a joint military exercise in Thai waters. The exercise "Sino-Thai Friendship 2005" is aimed at safety ensuring of marine navigation, improving communication capacities, and handling of air-and-sea search and rescue activities, terror and natural disasters. The Chinese warships, missile destroyer Shenzhen and supply ship Weishanhu arrived at Thailand's Sattahip Naval Port, Thailand on December 9 and

stayed there for four days. To the warships, Thailand was the final stop, followed by their visits to Pakistan and India in November 2005.

December 14 "Indian Defense Minister calls for maritime cooperation with friendly countries" (PTI, December 14, 2005)

Indian Defense Minister Pranab Mukherjee spoke at an Indo-Japan Dialogue on Ocean Security and Maritime Cooperation on December 14. He said his country would proceed maritime cooperation with friendly countries in information exchanges, marine engineering and sea bed mining as part of efforts of utilizing ocean resources and tackle maritime crimes. He pointed out that piracy, sea lanes protection, drugs and arms smuggling, sea transportation of weapons of mass destruction are matters of common international concern, adding "Hence, a closer security dialogue and strengthening of defence cooperation with friendly countries remains an important objective of our overall defence and foreign policies". He also emphasized that India and Japan share a common interest in maintaining security and stability in the Asia-Pacific region.

December 16 "The US to sell 115 howitzers to Pakistan" (Reuters, December 17, 2005)

The Bush administration noticed the conference on December 16 that it would sell its 115 155mm self-propelled howitzer artillery pieces to Pakistan. The Pentagon's Defence Security Cooperation Agency said there would be no influence in the regional balance by this sale. The total amount of the deal will be US\$56 million, which requires congressional approval. Congress has never blocked such arms-deal request before.

December 23 "Taipei arms budget blocked again" (Reuters, December 24, 2005)

Taiwan's Defense Ministry's budget deliberation for US military hardware in the amount of NT\$340 billion was again blocked by opposition parties on December 23. This was for the 42nd time block. The initial budget in 2001 when the US had approved the package of advanced weapons was NT\$610, and it has been cut to NT\$340 billion by retracting six of anti-missile PAC-3 batteries from the deal. Taiwan's Defense Ministry said it has offered to cut a special budget for US military hardware from NT\$340 billion to NT\$299 billion by taking P-3C anti-sub aircraft out of the special budget and including it in its annual regular spending. The US has been frustrated by the delay of deliberation bills and has criticized Taiwan for not being serious about its own defense.

1.3 Diplomacy, International Relations and Security Cooperation

December 5 "Winning of KMT in Taiwan election is due to no-confidence in Chen Gov" (The China Post, December 5, 2005)

Taiwan's local election held on December 3 turned out to be a sweeping victory by the opposition Kuomintang (KMT). The party won a total 17 out of 23 seats, while the ruling Democratic Progressive Party won only a total of six seats. A professor of politics at National Taiwan University Philip, Yang said "This is a no-confidence vote in the Chen government". He also said while there would be no immediate influence on cross-strait relations, the opposition's victory showed residents' wish of more flexible relations with China.

December 9 "The Philippines calls for conclusion of binding accord on South China Sea" (INQ7.Net, December 10, 2005)

The Philippines Foreign Affairs Secretary Alberto Romulo on December 9 called on conclusion of more legally binding agreement to ASEAN nations and China. This is aimed at maintaining peace and stability across the South China Sea. He said at the ASEAN ministers meeting in Kuala Lumpur that ASEAN-China Declaration on the Conduct of Parties of November 2002 was only an intermediate step toward the formation of a regional conduct code in the South China Sea.

December 10 "Vietnam, China to agree on land border demarcation by 2008" (VNA, December 11, 2005)

China and Vietnam held their government-to-government talks on border and territory issues in Hanoi from December 8 to 10. They agreed to formulate a roadmap to complete negotiations of the demarcation process along their land boundaries by late 2008. They also reaffirmed implementing treaties regarding the Vinh Bac Bo (Gulf of Tonkin), by maintaining stability and safe order for fishing industry in the Gulf, assuring humane treatment to fishermen, and fulfilling cooperation agreements on oil and gas, joint patrols, and joint exploration of fishing resources.

December 14 "Kuala Lumpur Declaration on The East Asia Summit" (The Ministry of Foreign Affairs of Japan, December 14, 2005)

Representatives of 16 nations gathered in Kuala Lumpur for the inaugural session of the East Asia Summit (EAS), on December 14. Participants to this summit consist of the 10 members of the Association of Southeast Asian Nations plus China, Japan and South Korea, as well as Australia, New Zealand, and India. The following "Kuala Lumpur Declaration on The East Asia Summit" has been adopted. (The following is a citation from the website of the Ministry of Foreign Affairs of Japan)

KUALA LUMPUR DECLARATION ON THE EAST ASIA SUMMIT

Kuala Lumpur, 14 December 2005

WE, the Heads of State/Government of the Member Countries of the Association of Southeast Asian Nations (ASEAN), Australia, People's Republic of China, Republic of India, Japan, Republic of Korea and New Zealand, on the occasion of the historic First East Asia Summit on 14 December 2005 in Kuala Lumpur, Malaysia:

DO HEREBY DECLARE:

FIRST, that we have established the East Asia Summit as a forum for dialogue on broad strategic, political and economic issues of common interest and concern with the aim of promoting peace, stability and economic prosperity in East Asia.

SECOND, that the efforts of the East Asia Summit to promote community building in this region will be consistent with and reinforce the realisation of the ASEAN Community, and will form an integral part of the evolving regional architecture.

THIRD, that the East Asia Summit will be an open, inclusive, transparent and outward-looking forum in which we strive to strengthen global norms and universally recognised values with ASEAN as the driving force working in partnership with the other participants of the East Asia Summit.

FOURTH, we will focus, among others, on the following:

1. Fostering strategic dialogue and promoting cooperation in political and security issues to ensure that our countries can live at peace with one another and with the world at large in a just, democratic and harmonious environment;
2. Promoting development, financial stability, energy security, economic integration and growth eradicating poverty and narrowing the development gap in East Asia, through technology transfer and infrastructure development, capacity building, good governance and humanitarian assistance and promoting financial links, trade and investment expansion and liberalisation; and
3. Promoting deeper cultural understanding, people-to-people contact and enhanced cooperation in uplifting the lives and well-being of our peoples in order to foster mutual trust and solidarity as well as promoting fields such as environmental protection, prevention of infectious diseases and natural disaster mitigation.

FIFTH, that:

- Participation will be based on the criteria for participation established by ASEAN;
- The East Asia Summit will be convened regularly;
- The East Asia Summit will be hosted and chaired by an ASEAN Member Country that assumes the ASEAN Chairmanship and held back-to-back with the annual ASEAN Summit; and
- The modalities of the East Asia Summit will be reviewed by ASEAN and all other participating countries of the East Asia Summit.

SIGNED, at Kuala Lumpur on the Fourteenth Day of December in the Year Two Thousand and Five.

(<http://www.mofa.go.jp/region/asia-paci/eas/joint0512.html>)

1.4 Resources and Environment

December 2 "CNOOC launches production of Lufeng 13-2 in the eastern South China Sea" (OIL&GAS JOURNAL, December 2, 2005)

CNOOC Ltd. says it launched production of Lufeng (LF) 13-2, an independent oil field in the eastern South China Sea. The oil field, situated in 210 km southeast of Hong Kong and 12 km northwest of producing field LF13-1 with a water depth of approximately 132 m, flows about 18,000 b/d of oil from three wells per day.

December 15 "Kazakh-China oil pipeline completed" (BBC, December 15, 2005)

A ceremony of the opening of a new oil pipeline from Kazakhstan to China was held on December 15 in Kazakhstan. The 1,000km-long pipeline will link Atasu in central Kazakhstan to Alashanku, Xinjiang region in western China, and will be the first major pipeline that does not cross Russia. It would be in full operation by the middle of 2006, providing a new oil source for China to develop its western Xinjiang region. In the future, another pipeline is expected to be linked to the Caspian region in western Kazakhstan, in which the huge, new Kashagan oilfield is currently under development. Kazakhstan has doubled its oil production to over one million barrels per day with help from Western oil companies. While the country ranks among the world's top oil producer, it has further ambition of increasing the current amount to threefold in the next decade or two. Kazakhstan has exported most of its oil via two pipelines running through Russian territory until now. This means the tap of the pipeline is in the hand of Russia. Accordingly, Russia has taken advantage of its position by utilizing oil and gas pipelines to pursue its national interests in Central Asia. Kazakhstan is now under negotiation about oil export through the new

Baku-Ceyhan pipeline from the Caspian to the Mediterranean that opened earlier 2005. By having its alternative route, the country will have a considerable leverage in the future.



(Source: BBC, December 15, 2005)

2. Intelligence Assessment

2.1 Holding of the first East Asia Summit

1 Outline of the Summit

On December 14, 2005, the first-ever East Asia Summit (EAS) was held in Kuala Lumpur. Participants to this summit consisted of the 10 members of the Association of Southeast Asian Nations plus China, Japan and South Korea, as well as Australia, New Zealand, and India. Also from Russia, President Vladimir Putin who had been invited as a guest made a speech at its opening ceremony. After the meeting, the “Kuala Lumpur Declaration on the East Asia Summit” and the “East Asia Summit Declaration on Avian Influenza Prevention, Control and Response” were adopted and signed. The “Kuala Lumpur Declaration on the East Asia Summit” states that the EAS is established as “a forum for dialogue on broad strategic, political and economic issues of common interest and concern with the aim of promoting peace, stability and economic prosperity in East Asia” and that the EAS “will be an open, inclusive, transparent and outward-looking forum in which we strive to strengthen global norms and universally recognised values”. The declaration focuses on the following efforts:

1. “Fostering strategic dialogue and promoting cooperation in political and security issues to ensure that our countries can live at peace with one another and with the world at large in a just, democratic and harmonious environment;
2. Promoting development, financial stability, energy security, economic integration and growth eradicating poverty and narrowing the development gap in East Asia, through technology transfer and infrastructure development, capacity building, good governance and humanitarian assistance and promoting financial links, trade and investment expansion and liberalisation; and
3. Promoting deeper cultural understanding, people-to-people contact and enhanced cooperation in uplifting the lives and well-being of our peoples in order to foster mutual trust and solidarity as well as promoting fields such as environmental protection, prevention of infectious diseases and natural disaster mitigation.”

The following was also decided: the EAS will be convened regularly and will be hosted and chaired by an ASEAN Member Country. Participation will be based on the criteria setup by ASEAN.

The next EAS is scheduled to be held in December 2006 in Cebu, the Philippines. China’s wish to host the next summit was not realized this time.

2 Highlights coming into focus through the Summit

A. Roles of the EAS and ASEAN Plus Three toward the realization of the East Asian Community

The “Kuala Lumpur Declaration on the East Asia Summit” stipulates the EAS “could play a significant role in community building in this region”. On the other hand, in the “Kuala Lumpur Declaration on the ASEAN Plus Three Summit” adopted on December 12 in Kuala Lumpur, clarifies that ASEAN Plus Three will have the initiative of a “concept of the East Asian Community” by stating “the ASEAN Plus Three process will continue to be the main vehicle in achieving that goal, with ASEAN as the driving force and with the active participation of the ASEAN Plus Three countries in order to promote a sense of shared ownership”. It is said that Japan had encouraged other members to include a clause specifying each summit’s roles to the declaration for the realization of the “concept of the East Asian Community” as a result of a fierce tug-of-war with China: China’s claim that the concept (of the East Asian Community) should be led by ASEAN Plus Three raised concerns among other member countries because China, having achieved remarkable economic growth, might use its influence over other nations. Particularly Japan, which has been concerned about China’s increasing presence, had stressed the importance that the EAS should include another three members – India, Australia and New Zealand – as extra-regional countries sharing democratic values and being able to balance between China and other member countries. It is worth keeping attention what China’s speculation is and how these two frameworks – the EAS and ASEAN Plus Three – would work in the future.

B. The US, India, Russia’s participation to the EAS

a. The US excluded from the EAS

There have been growing concerns among the US officials against China’s increasing influence in Southeast Asia on diplomatic, economic and security aspects. Although the US officials and experts had shown dissatisfaction and vigilance against a framework among Asian nations without the US, the country was relatively relieved to know the clause of “an open, inclusive, transparent and outward-looking forum” was included in the EAS declaration. However, it seems that most US officials are claiming the US should become the member of the EAS.

According to the report of the Asahi Shimbun on December 15, an official of the US State Department showed his strong interest towards Asia, saying the country is strongly connected to Asian nations although it’s the nations in the region to decide how to cooperate mutually and build relationship with the US. The Asahi Shimbun on December 16 says Center for Strategic and International Studies (CSIS) Senior Vice President, Kurt Campbell expressed the US’s keen interest in Asia, adding that while the country is now worried about being excluded from a member of the EAS, what is most important is to become an active member of the Asia-Pacific region.

A US journalist, Richard Halloran was quoted as saying that the US should be included as a member, because the exclusion of the US from the EAS will lead to the difficulty to keep the balance of military power in the region and will mean the exclusion of the country that has provided tremendous markets to almost all the countries. Hence, he said, it was the most convincing discussion that the US's participation will do good for Asian nations. (The Sankei Shimbun, December 19, 2005)

The EAS this time appears to have managed to curb the China's influence by Japan, India and Australia's efforts, while continued vigilance will be required. Richard Cronin, Senior Associate, the Henry L. Stimson Center, said the major interest of Washington was to watch very carefully about China's influence on the region. The key national interest of the US was protected because its intention had been reflected by Japanese and Australian efforts from within the EAS. (The Asahi Shimbun, December 15, 2005)

Above-mentioned CSIS Senior Vice President Kurt Campbell expressed his vigilance against China, saying Sino-Japan conflict has been escalating intension nowadays and at the moment China has an upper hand over Japan and the US. (The Asahi Shimbun, December 16, 2005)

Komori, a correspondent of the Sankei Shimbun, wrote an article covering the report of the EAS written by the US Congressional Research Service, which points out that the EAS will pose a strategic challenge to the US because it can be interpreted as indicating China's expansion of its geopolitical gravity and the possibility that the East Asia Community could become a community tackling security or trade issues or having agreements without the US in the future. (The Sankei Shimbun, December 24, 2005)

b. The presence of India as a formal participant

India, which became a formal participating country, is said to have shown a hard-line attitude during the EAS with seeking roles of the Community formation by opposing the idea of signing a declaration together with Australia, as the word "community" was not included in the declaration at its draft stage. Prime Minister Manmohan Singh took his clear stance to put India on an equal footing with ASEAN and Plus Three, and showed a positive attitude towards the EAS by presenting a proposal to draw up a roadmap so that participants can promote a more concrete cooperation. At the fourth India-ASEAN Summit held in Kuala Lumpur on December 13, he stated that ASEAN is the center for India's Look East policy. The same day India and ASEAN agreed to accelerate FTA negotiation putting it into force in January 2007. (Rediff India Abroad, December 13, 2005)

It is expected in the future India would increase its influence on ASEAN as a regional power capable of vying with China. According to the article of TIME Asia on December 5,

Singapore's Minister Mentor Lee Kuan Yew evaluated India's participation as "India would be a useful balance to China's heft."

c. Russia's attendance as an observer

Vladimir Putin, President of Russia, which had joined the EAS as a guest of presidency holder Malaysia, said at the opening session of EAS that the country was ready to make a contribution in its own way to the community's activities in many significant aspects, including energy security in the Asia-Pacific region. He expressed his desire to be included to the EAS formally aimed at magnifying its impact on Asia where had have weak economic links except for weapon market. It is said to be an open secret that the background of Russia's appearance to the EAS as observer was realized by China's effort in order to counter the participation of three nations – Australia, New Zealand and India – to the EAS at Japan's request. China wanted to invite Russia as a guest member because it had been closely linked to China with the Shanghai Cooperation Organization (SCO). The Philippines, the next-presidency holder also appears to support Russia's participation. Like this, if the EAS members increase, it will be anticipated that collecting opinions from all the member countries will become more and more difficult.

C. Relations between the EAS and preexisting organizations

Currently in Asia, there are several preexisting organizations, such as ASEAN, ASEAN Post-Ministerial Conferences, ASEAN Regional Forum, (ARF), Asia-Pacific Economic Cooperation (APEC), Asia-Europe Meeting (ASEM). In order not to gild the lily by entirely-focused on dialog, the EAS needs to facilitate closer communication and collaboration among the countries concerned. With respect for each other's positions, ASEAN has adopted a unanimous vote policy as each of 10 member countries faces not only differences in size, government, history, culture, religion, and races, but also economic discrepancy. It is believed that the basic direction of ASEAN diplomacy is to derive the maximum benefit from large countries outside the region, with taking the ASEAN initiative as well as involving such large countries into the region. In this regard, there is an article of the Asahi Shimbun on December 16, 2005 about a comment from the above-mentioned CSIS Senior Vice President Kurt Campbell. He said from his own experience of joining a number of meetings in Asia in the past, he had noticed the difficulty in exchanging views candidly on important issues among Asian nations. He showed concern whether several topics such as Sino-Taiwan issue, history issues between China and Japan, situations in the Korean Peninsula, the rise of Islamic extremist groups can be discussed with unusual candor because most issues are too complex to be taken up at such a broad framework. In the "Kuala Lumpur Declaration on The ASEAN Plus Three Summit" adopted on December 12, members agreed to present a total picture of the future community as a new declaration in 2007. However, in order to work toward the creation of the future regional-integration concept – the East Asian Community, it is anticipated much difficulties for ASEAN nations which would play a central role, in coming in line with large countries outside the region together with ironing out differences in opinions for a common mind-set aimed at realizing the community.

3 The position of the EAS and Japan

A. Internationalization of Yasukuni issue

At talks with Korean President Roh Moo-hyun on December 12, Chinese President Hu Jintao accused Japan that the leader's five-time visits to Yasukuni had created obstacles to the relationships among the three countries, adding Japan caused the postponement of Japan, China and Korea summit meeting. The chance of resumption of talks hinged on Japan's leader, he said. It seems China's aim is to shake up Japan with leadership struggle over the Community, distance from the US and isolate from other nations by internationalizing the Yasukuni issue, with winning the sympathy of the EAS participating countries that suffered same damages by Japan in World War II. In the wake of his remark, Malaysian Prime Minister, Abdullah Badawi expressed concern about the worsened Sino-Japan relationship at ASEAN Summit on December 13. Philippine President Gloria Arroyo also said the country would share the same concern. It seems that the ASEAN nations are not always attuned to China's view, but are concerns over the country's increasing influence in Asia. ASEAN countries are in the situation to take both China and Japan into consideration and fear the situation to be forced to choose between the two.

Japan's Prime Minister Junichiro Koizumi spoke at a press conference following the EAS Summit on December 14, "I have always been for friendly ties between Japan and China. That is my view. Japan-China relations are extremely important. From that viewpoint I have been saying that we should never allow differences in views or confrontations over one or two issues to impede the further growth of our bilateral relations. There has been no change in that view of mine." He openly objected to China in front of a number of reporters from Asian countries, "I, Prime Minister Junichiro Koizumi, pay respects at the Yasukuni Shrine as a Japanese national, bearing in mind the remorse over World War II with the conviction that we should never again wage a war. At the same time, I go there to pay sincere respect to the people who had to go to the battlefield and had to give up their lives. I have no intention whatsoever to glorify or justify the war. I cannot understand why there are criticisms over a visit by a Japanese national, or a prime minister, to a facility in his own country to offer prayers for peace to express that war should not be repeated, and to mourn the war dead." "As a human you pray for peace and mourn the war dead. That is a matter of your heart and mind, and we are talking about the freedom of mind. To pay respects and pray, why should one criticize such a matter of one's heart?" (The Ministry of Foreign Affairs of Japan, December 14, 2005)

<http://www.mofa.go.jp/region/asia-paci/eas/press0512.html>

He added that he was prepared to hold summit meetings with the leaders of both China and Korea anytime. Koizumi showed his intension to counter China's coalition against Japan. He had told the US President, George W. Bush at the meeting in Kyoto, November 2005 that if Japan could develop a good relationship with China, it would be able to build good relations with all the countries of the world.

B. The future of the EAS and Japan's measures to be taken

During the EAS, Koizumi emphasized that Japan would be capable of playing a significant role in forming the community if the EAS could shift its framework from mere a venue for dialogue to a place implementing a concrete collaboration, expressing its willingness to have frank discussions on common issues, ideals and principles with an eye to the future formation of the community from a strategic and comprehensive point of view. He cited Japan's contribution to the region such as anti-piracy efforts in the Malacca Straits and cooperation of energy issues. While this time Japan managed to stave off China's desire for taking control of the formulation of community, it can be said that Japan left an impression that it failed to explain about its policies of materializing Koizumi's remarks, like the efforts for the EAS framework that Japan puts high value, due to the fact that it devoted too much energies on curbing China's power. It is challenging for Japan as to how to converge Koizumi's clear-cut remarks, strategically and specifically, for the benefit of both the EAS and Japan aimed at establishing the East Asian Community.

2.2 US-Sino-Russia Power game over India

1 Strategic meaning of Chinese vessel's voyage to the Indian Ocean

As previously reported in the November 2005 edition of the monthly report, the fleet of Chinese People's Liberation Army Navy (PLAN), comprising of a missile destroyer Shenzhen and a supply ship Weishanhu, left Guangzhou for Pakistan, India and Thailand on November 8, aimed at conducting its first-time joint naval exercises in foreign waters. The fleet passed through four straits and entered into the Arabian Sea via the northern Indian Ocean. The total excursion was almost 10,000 nautical sea miles and the schedule was over 40 days. Shenzhen, China's indigenous missile destroyer has conducted four-time visits to 11 countries so far. While Weishanhu, this was the first foreign-trip.

The fleet conducted one-week exercise with the Pakistani Navy focusing on training for search and rescue operations from November 14, named "China-Pakistan Friendship 2005". After that the fleet sailed into Kochi port in Kerala, India on November 28.

The fleet held a joint search-and-rescue exercise with Indian Navy, "China-India Friendship 2005" on December 1 off the northern Indian Ocean. This was the second visit for the China's fleet. Its first visit was on May 27, 2001, when its missile destroyer Harbin and a supply ship had harbored at Mumbai port. This was also for the first time conducting joint exercise between the two countries since three of the Indian Navy's vessels visited China and conducted joint drill off Shanghai in October, 2003. On the eve of the "China-India Friendship 2005" exercise, Indian Navy spokesman said as follows: (1) The exercise would be at a very basic level as both sides still knew very little about each other, but such exercise would help improve their military relations.

(2) This time's naval drill with China off Kochi would be the last one of the series of exercises that India had conducted in 2005 with foreign forces like France and the US as part of its efforts to establish its role as a regional power. (Hindustan Times, November 25, 2005)

After its visit to India, the fleet arrived at its last stop, Sattahip Naval Port, Thailand on December 9 and stayed there for four days. On December 13, both navies conducted their joint naval exercise, "Sino-Thai Friendship 2005" focused on ensuring the safety of marine navigation, improving telecommunications, conducting air-and-sea search and rescue activities, and implementing disaster countermeasures such as terrorism and natural disasters.

China's Indian Ocean cruise this time is worthy of attention from a viewpoint of the "string of pearls" strategy. As already being explained in this monthly report before, the aim of the strategy lies in securing bases or facilities on islands of South China Sea including Pakistan, Bangladesh, Myanmar, Cambodia, and Thailand for the purpose of ensuring the security of sea lanes that serve as energy transportation routes from Middle East and African region.

In this strategy, the first pearl is a support to Pakistan – the first destination of this voyage – in constructing a port at Gwadar. Gwadar is located at a distance of nearly 500 km westward from Karachi, India, as well as near the entrance to the Persian Gulf, which makes the area strategically important. About the strategic significance of the port, Michele Brunelli, a Senior Researcher of Research Centre on Southern System and Wider Mediterranean (CRiSSMA), Catholic University of Milan points out: (1) It is only China that financially supports the construction of the port. (at the first phase of the project, China provide US\$198 million, including US\$49 million out of the total US\$248 million) By its completion, China will get the first chance to keep a naval presence in the Arabian Sea and the north western Indian Ocean. (2) The distance from Gwadar to Xinjiang, China is about 2,500km, which has the possibility of becoming a hub for land-and-sea regional economic activity connecting China, Afghanistan and the Central Asia. (3) India has exercised vigilance over the China's involvement in the northwest waters of the Indian Ocean. This is one of the reasons India plans to increase its naval power. (Michele Brunelli, "The Parched Dragon: Geopolitical Implications of China's Energy Needs for Indian Ocean and Persian Gulf," Indian Ocean Survey, July-December 2005, Vol. 1, No. 2, pp.1-16)

So far, it appears Chinese navy does not have the capability to keep its presence in the Arabian Sea and as around the Andaman Sea, off Myanmar, near the mouth of the Malacca Straits, by using the "string of pearls" strategy. This time's joint exercises with each Pakistan, India, Thailand were only basic drills for search and rescue activities on the sidelines of goodwill visits. In other words, it can be said those exercises were of a political nature focusing on maintaining and developing military relationships. In that sense, the series of exercises are different from full-fledged joint military exercises, "Peace Mission 2005", held between China and Russia in China's Shandong Peninsula and its neighboring Yellow Sea area in August 2005. Even

so, to China, this time's Indian Ocean cruise is considered as a vital step toward keeping naval force presence in those waters to secure its energy transport sea lanes by taking the "string of pearls" strategy. India would keep a close eye on the long-term intentions of China's maritime forces, Indian Navy's Admiral Arun Prakash on December 2 after their joint naval exercise. (The Indian EXPRESS, November 28, 2005)

2 US-China-Russia power game over India

What has grabbed attention in connection with the "string of pearls" strategy is a power game over India by the US, China and Russia. This topic was also covered in the past edition of the monthly report (August 2005). In recent years, India has increased its strategic importance in the Indian Ocean in view of marine security along with the navy's military beef-up. India is situated in the middle of the sea lanes stretching from Middle East to Northeast Asia, which looks like a wedge driven into the Indian Ocean. Hence, activities by the each navy in the west and east coast of the Indian Ocean have become an important factor of the 21st "Great Game".

In 2005, India also carried out joint naval exercises with each Russia and the US. India-Russia joint exercises were held in October. A naval squadron of Russia's Pacific Fleet, including the guided missile cruiser Varyag, two anti-submarine warfare frigates, a rescue ship, and a replenishment tanker set off from the port of Vladivostok for the Indian Ocean on September 20, 2005. Along the way, a nuclear power submarine sailing out from the port of Petropavlovsk joined together with the squadron. They called at a port of Vishakhapatnam, the major base of Indian Navy Eastern Command in the mid-October, 2005. Then they conducted a joint naval exercise with Indian Navy. The exercises were aimed at strengthening military alliance between the two countries through the exercises, cooperating in improving the Indian Navy's technologies by exhibiting Russian vessels together with performance and operation of the equipment, and expanding Russia's arms export in which Russia puts high importance. This was the third time for Russia to visit India. In 2001, two anti-submarine warfare frigates and a replenishment tanker from the Russian Pacific Fleet set out on a long voyage to the Indian Ocean and visited Mumbai where the base of the Indian Navy's Western Command located. In May 2003, two anti-submarine warfare frigates from the Russian Pacific and Black Sea fleets conducted joint exercises with the Indian Navy in the Indian Ocean. Two Tu-95 and four Tu-160 strategic bombers also joined the exercise.

After this time's India-Russia joint exercises, Russian fleet, except for a nuclear submarine, dropped into ports of Sattahip, Thailand and Hai-phong, Vietnam. Then they returned to their base, Vladivostok around mid-December, 2005. This Russian fleet cruise coincided with the Chinese fleet's voyage. Both navies had the same purpose as well: conducting basic drills with the countries they visited.

Meantime, Indian Navy launched the seventh iteration of the exercises series with the US

from September 25 to October 4, 2005 on the West Coast of India for the purpose of training for joint operations to counter terrorism and piracy as well as interoperability exercise of the both navies. This was the full-blown military exercise with aircraft carriers joined for the first time from the both countries, including a “24 hours combat at sea” simulation. The two countries are scheduled to hold their naval drill in Guam in January 2006.

Indian Navy has also carried out joint exercises respectively with Indonesia, Malaysia and Thailand in the Andaman Sea, the entrance of the Indian Ocean.

As stated above, Indian Navy’s these activities have made itself an important presence that will have a big influence on security of sea lanes in the Indian Ocean. As part of India’s efforts in expanding its range of activities to the Pacific Ocean, it was reported: (1) While it has already forged cooperative ties with the US and Russian navies, it is now further looking to the possibilities to develop military relations with Japan, Chili and even China. Navy Chief Admiral Arun Prakash said “The Navy’s medium-term vision is to look East. But its long-term vision is to look further East.” (2) On November 11, Prakash met with Chilean Admiral Rudolfo Codino who had made his visit to India. As well, earlier 2005 he had talks with China’s PLA Chief Gen Liang Guanglie and confirmed their maritime cooperation in the South China Sea and beyond. (3) In the recent trip to Japan, Prakash and his Japanese counterpart agreed to examine Naval access pacts and possible joint drills. (The Indian EXPRESS, November 8, 2005)

In addition to these military aspects, the US, China and Russia have been strengthening political and economical ties with India, as well. As stated in the previous topic, “2.1 Holding of the first East Asia Summit”, India also showed its vital presence by joining the EAS as an observer. It is believed India will develop a strategy by balancing the US, China and Russia for pursuing its national interest, along with getting its advantageous-geostrategic footing in the 21st “Great Game”.

To Japan, it is also important to tighten strategic ties with India in developing security including diplomatic, economic relations and safety ensuring of sea lanes. Japan already affirmed its intention to extend cooperative relations with India in the joint statement “Japan-India partnership in a New Asian Era: Strategic Orientation of Japan-India Global Partnership”, which was adopted during Prime Minister Junichiro Koizumi’s visits to India and Pakistan from April 29 to 30, 2005. Foreign Minister Taro Aso visited India from January 3 to 4, 2006 –the first Asia visit this year – focusing on further accelerating concrete efforts from a strategic perspective, as a follow-up of “Japan-India Global Partnership”.

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