

# EAST ASIA EXPLORER APRIL 2023

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### Cover Image:

Prime Minister Lee Hsien Loong met President of the People's Republic of China Xi Jinping during his official visit to China on March 31, 2023 (Source: Ministry of Foreign Affairs Singapore)

U.S. Secretary of State Anthony Blinken met with Vietnamese Prime Minister Pham Minh Chinh in Hanoi on April 15, 2023. (Source: <u>Anthony Blinken/Official Twitter</u>)

Chinese State Councilor and Foreign Minister Wang Yi met Solomon Islands Prime Minister Manasseh Sogavare during his visit to Solomon Island on May 27, 2022. (Source: <u>Chinese Embassy in Switzerland/Official Twitter</u>)

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### China's Growing Security Footprint in the South Pacific Causes Alarm

by

#### Pradeep Taneja

Prime Minister Narendra Modi is preparing to visit Papua New Guinea for the 3<sup>rd</sup> Forum for India-Pacific Islands Cooperation summit on May 22, on his way to attend the Quad leaders' summit in Sydney. The United States President, Joe Biden, also plans to be in Port Moresby on the same day, thus becoming the first sitting US president to visit a Pacific island that is not US territory. Australia's foreign minister Senator Penny Wong has made ten visits to the Pacific since taking office less than a year ago. Given this flurry of activity, it is important to ask why, of late, the South Pacific has become the focus of so much attention from world leaders.

The answer, in one word, is: China. To be more precise, China's rising diplomatic, economic and security presence in the South Pacific has so alarmed the former colonial powers, traditional aid donors, and other powerful countries that they have vowed to look after the interests and needs of the island states, to discourage them from turning to China for help. This short article aims to analyse the motivations behind China's growing interest in the region and how these have changed over time.

Following the launch of China's reform and open-door policy in the late 1970s, China began to woo the Pacific island states, many of which had hitherto maintained diplomatic relations with Taiwan. In an effort to squeeze Taiwan's diplomatic space, China engaged in chequebook diplomacy to offer generous financial assistance to the Pacific island states to coax them into dumping Taiwan in favour of the People's Republic.

As China's economy expanded at more than 9 per cent a year for more than 30 years, the resources available to the Party-state grew exponentially and it was able to outcompete Taiwan in gaining diplomatic recognition from the majority of the island states. Currently, only four Pacific island states – Marshall Islands, Nauru, Palau and Tuvalu – still recognise Taiwan. China spent US\$1.3 billion in concessional loans and grants to the Pacific island states between 2011 and 2018.

The last two Pacific states that switched diplomatic recognition from Taiwan to the PRC were Solomon Islands and Kiribati in 2019. Solomon Islands, in particular, raised eyebrows in Canberra and Washington when the draft of a secret security agreement with China was leaked to the media in March 2022. Under the proposed agreement, the Solomon Islands government would grant significant access to Chinese police and military forces.<sup>1</sup> According to the leaked document, "the relevant forces of China can

<sup>&</sup>lt;sup>1</sup> Kate Lyons and Dorothy Wickham, "The deal that shocked the world: inside the China-Solomons security pact", The Guardian, 20 April 2022.



be used to protect the safety of Chinese personnel and major projects in Solomon Islands."

The revelations of the secret negotiations for the agreement between China and the government of Prime Minister Manasseh Sogavare sent shockwaves through Canberra, Washington and Wellington. What concerned many security analysts in Australia was the secrecy surrounding the agreement and the confidentiality clause that said, "without the written consent of the other party, neither party shall disclose the cooperation information to a third party."

Later, confirming the signing of the agreement, Mr Sogavare said his government had entered into this agreement with "eyes wide open". The biggest concern in Australia is that the agreement would allow China to establish a naval base in the Solomon Islands, less than 2,000 kms from its East coast. Mr Sogavare has tried to allay these concerns, arguing that his country has no intention of allowing a Chinese naval base on its territory. A Chinese official in Honiara, the Solomon Island capital, told the Guardian newspaper that China was "not interested in building a naval base here in Solomon Islands." But the concerns remain.

Ostensibly, China's motivation for pushing the Solomon Islands government into signing a security agreement is to prevent a repeat of the riots that erupted in Honiara in November 2021, in which a number of Chinese-owned businesses were torched and looted in the Chinatown area of the city. The violence was triggered by the decision of the Solomon Islands government to switch diplomatic recognition from Taiwan to China, as the former continues to enjoy widespread support in the rebellious Malaita province. As it had done in 2003, when even more serious violence had erupted in the Solomon Islands, the government requested the Australian and New Zealand governments to send police and defence force personnel to quell the riots. PNG and Fiji also sent peacekeepers. But now China wants to muscle in.

Clearly, having persuaded the majority of Pacific island states to switch diplomatic recognition to the PRC, Beijing's main motivation behind its rapidly growing footprint in the Pacific is to secure its economic interests, protect its citizens living and working in the region and, importantly, to establish arrangements with the island states for its naval ships and submarines to make port calls with the ultimate goal of establishing a permanent presence in the region. In February this year, China appointed its ambassador to Fiji since 2018, Qian Bo, as its new special envoy on Pacific islands affairs.<sup>2</sup> China only has a handful of special envoys and this appointment is indicative of the importance the Xi Jinping administration attaches to the region.

https://www.theguardian.com/world/2022/apr/20/the-deal-that-shocked-the-world-insidethe-china-solomons-security-pact

<sup>&</sup>lt;sup>2</sup> Liu Zhen, 'China picks special envoy to Pacific: Qian Bo, ambassador to Fiji, takes on title reserved for regions or issues of particular concern', South China Morning Post, 20 February 2023, A3.

## Singapore Prime Minister Li Hsien Loong's visit to the PRC: Singapore's Delicate Balancing Act in Asia

by

### Biren Nanda

Singapore Prime Minister Lee Hsien Loong paid an official visit to the PRC from March 27 to April 1, 2023. During the visit Prime Minister Lee Hsien Loong held meetings with Chinese President Xi Jinping, Premier Li Qiang, Chairman of the NPC Standing Committee Zhao Leji and Chairman of the National Committee of the CPPCC, Wang Huning. A major outcome of the visit was the decision to upgrade bilateral relations to an "All-Round High-Quality Future Oriented Partnership," in order to set the "strategic" direction of the bilateral relationship.

Prime Minister Lee called on President Xi Jinping on the afternoon of March 31, 2023. During the meeting President Xi described China and Singapore as "important partners of cooperation" and said that relations between the two countries were "forward looking, strategic and demonstrative."

Significant outcomes of the visit<sup>3</sup> included Singapore's support for China's high quality development, a mutual assessment of the "commendable progress" of the BRI (China is ready to work with Singapore to strengthen the building of the "New International Land-sea corridor), an agreement for strengthening "comprehensive and innovative cooperation" in trade and investment, green and digital economies, food security, the financial sector, aviation and people to people exchanges.

Both sides reaffirmed the continued strengthening of ASEAN-China relations. The deliberations and pronouncements during the visit sent a strong message to Singapore and other ASEAN countries that China remained an important regional engine of growth and ASEAN nations including Singapore should have a strong interest in strengthening cooperation with China.

On March 24, 2023 on the eve of his visit to China, in an interview to the CCTV Prime Minister Lee said,

https://www.reuters.com/world/china/chinas-xi-ties-with-singapore-set-benchmarkcountries-region-2023-03-31/

<sup>&</sup>lt;sup>3</sup> (April 11, 2023) Joint Announcement between the People's Republic of China and the Republic of Singapore on the establishment of an All-Round High-Quality Future Oriented Partnership. Singapore Prime Minister's Office.



"...Singapore and China understand each other and share mutual trust. Though with differing opinions, we could work together and push the implementation of practical projects...China values Singapore and ASEAN's important role in upholding the regional economic order and peace and also possesses the goodwill to build a regional community with a shared future."

In Guangzhou Prime Minister Lee addressed the opening Plenary of the Bo'ao Forum for Asia<sup>4</sup>. He stressed that realizing Asia's promise depended upon the region remaining stable, inclusive and open. He said Asia had been affected by the "troubled global environment and tensions." This included major disruptions including COVID, "Russia's invasion of Ukraine" and the most worrying of all – the state of relations between the US and China. The US and China were at odds on trade and investment, supply chains, cyber security, critical and emerging technologies, as well freedom of navigation. Against this global backdrop it was necessary for Asian countries to promote economic cooperation with each other and China. This in turn would over time build mutual trust and foster regional stability.

How do we look at Prime Minister Lee's visit to China in the context of the longer-term trends in China-Singapore relations? China views Singapore as part of a grouping including Japan, South Korea, Taiwan, and Australia that are closer to the United States than China would prefer<sup>5</sup>. It is concerned that such a ring of countries in the region could be used to encircle China.

Singapore, on the other hand, sees in its relationship with China the potential for mutual gain, and seeks to emphasize the economic element in its relationship with China while underplaying the strategic challenges. Singapore seeks to develop a constructive relationship with China while hedging against it.

https://www.pmo.gov.sg/Newsroom/Joint-Announcement-China-and-Singapore-allround-high-quality-future-oriented-partnership-Apr-2023

<sup>&</sup>lt;sup>4</sup> (March 30, 2023) PMLee Hsein Loong at the Bo'ao Forum for Asia Annual Conference. Singapore Prime Minister's Office.

https://www.pmo.gov.sg/Newsroom/PM-Lee-Hsien-Loong-at-the-Boao-Forum-for-Asia-Annual-Conference-2023

<sup>&</sup>lt;sup>5</sup> Felix K Chang. (2019. December 3) The Odd Couple : Singapore's Relations with China. Foreign Policy Research Institute. The United States. <u>https://www.fpri.org/article/2019/12/the-odd-couple-singapores-relations-with-china/</u>



Southeast Asian countries do not want to be in a position of having to choose between China, their major trading partner, and the United States, which has been their major security partner in the region. Singapore Prime Minister Lee Hsien Loong, in an article published in the Foreign Affairs issue of June 2020, wrote that despite China's growing military strength, it would be unable to assume the United States' security role in Asia. Lee had added that Asia Pacific Countries do not wish to be forced to choose between the United States and China, and that they wanted to cultivate good relations with both. In the same vein during Prime Minister Lee's address to the Bo'ao Forum he described Sino-US relations as the "most worrying of all."

When the news of the AUKUS agreement broke on September 16, 2021, ASEAN was taken by surprise. ASEAN has failed to reach a consensus, but sees AUKUS as increasing geopolitical risks in the region and bypassing all notions of ASEAN centrality. Singapore on the other hand, expressed the hope that AUKUS would strengthen regional peace and security, with FM Balakrishnan stating:

"AUKUS ...was not really the centrepiece of concern. The real strategic question remains the relationship between the US and China, and how they manage this strategic realignment, rebalancing and recalibration of that relationship."

In order to manage the contradictions inherent in simultaneously appeasing both China and the United States, Singapore continues its delicate balancing act in Asia. On one hand Singapore is the only ASEAN country to unequivocally criticize and oppose "Russia's invasion of Ukraine," and to join US sanctions against Russia. On the other hand, Singapore provided much needed support and succor to China's positions by endorsing China's pursuit of high quality development, commending progress on bilateral cooperation under the BRI and upholding the rules based multilateral trading system embodied in the WTO. On all these issues, which were the bone of contention between China and the United States, Lee appeared to lean in China's direction and away from US positions. No doubt, very pleased at the tone set by Prime Minister Lee, President Xi Jinping described China-Singapore relations as setting a "benchmark" for countries in the region.

It is possible to identify a number of trends in China-Singapore relations. First, China has in recent years been subjecting Singapore to greater pressure and pushing Singapore to choose between China and the United States. Chinese influence operations in Singapore seek to persuade Singaporeans to be more sympathetic to mainland Chinese concerns and policies. In 2017 Singapore expelled Huang Jing on suspicion of working for China. In June 2022, a



Singaporean citizen Dickson Yeo studying at the prestigious Lee Kuan Yew School of Public Policy was arrested for having worked as a paid agent of a foreign state – China. To counter foreign interference, Singapore passed the foreign interference law on July 7, 2022<sup>6</sup>. The law specifically covers hostile information campaigns.

Second, in an effort to keep Beijing and Washington happy Singapore has been trying strike a balance in initiatives towards the two. In 2005 Singapore extended a 1990 MOU on defense cooperation with the US and within a month extended its defense cooperation agreement with China. Singapore's unequivocal support for US positions on Ukraine and the messages coming out of PM Lee's recent visit to China should be seen within the same paradigm of policy making.

Third, increasing tensions between China and the United States have the potential to cut at the very roots of Singapore's economic prosperity. As Ambassador Bilahari Kausikan succinctly put it "there is no sweet spot to keep Beijing and Washington happy". Singapore is therefore determined not to take sides in the 'clash of Titans' – China and the United States. As Singapore's Law and Home Affairs Minister K Shanmugam<sup>7</sup> said,

" Singapore would experience a destabilizing impact if it were to take sides in the ongoing US-China tensions...we wouldn't want to choose. But you are right, maybe some point, we will be forced to make a choice, but Singapore's position is we will not make a choice"

Fourth, one of the problems of dealing with the constant encroachment by China into Singapore's sovereign space is the Chinese expectation that similarities of language and ethnicity mean that Singaporeans should be empathetic to mainland policies and concerns. There are indications that the pendulum may be swinging towards China. The June 2022 report of the Pew

<sup>&</sup>lt;sup>6</sup> Koswanage Niluksi ( August 21, 2022) Singapore Warns Against Foreign Actors as US-China Ties Fester. Bloomberg <u>https://www.bloomberg.com/news/articles/2022-08-21/singapore-warns-against-foreign-actors-as-us-china-ties-fester</u>

<sup>&</sup>lt;sup>7</sup> Lee Vernon (September 19, 2022) Highly disruptive if Singapore were to take sides in US-China tensions: Shanmugam. Yahoo News <u>https://sg.news.yahoo.com/highly-disruptive-singapore-take-sides-us-china-tensionsshanmugam-104651479.html</u>



Research Center<sup>8</sup> revealed that 49% of the Singaporeans value close economic ties with China while only 33% valued close economic ties with the United States. The same report found 64% of the Singaporeans had a favorable view of China, and 70% expressed confidence in President Xi Jinping.

How does India fit into this picture? As far back as 2005, on the eve of India's participation in the inaugural East Asia Summit, Singapore Senior Minister Goh Chok Tong said:

"I like to think of new Asia as a mega jumbo jet that is being constructed. Northeast Asia, comprising China, Japan and South Korea, forms one wing with a powerful engine. India, the second wing, will also have a powerful engine. The Southeast Asian countries form the fuselage. Even if we lack a powerful engine for growth among the 10 countries, we will be lifted by the two wings."

The importance ASEAN nations have begun to attach to relations with India is reflective of their collective search for ways to balance China's coercive behavior and territorial assertions in the South China Sea.

In the 1990s Singapore played a leading role in building a consensus within ASEAN for India to become a dialogue partner of ASEAN and later in 2005 to ensure India's participation in the inaugural East Asia Summit. India has also strengthened bilateral defense and security cooperation with Singapore at a time when the East Asian region is witnessing rising tensions and territorial disputes with China. Singapore values the potential of its economic relationship with India. It is no surprise therefore that India's journey towards trade liberalization began with India-Singapore Comprehensive Economic Cooperation Agreement (CECA) signed in 2005.

<sup>8</sup> Choong William (July 14, 2021) Chinese-US Split is Forcing Singapore to Choose Sides. Foreign Policy. <u>https://foreignpolicy.com/2021/07/14/singapore-china-us-southeast-asia-asean-geopolitics/</u>



### Blinken's Visit to Hanoi: A Push for 'Strategic Partnership'

by

Anshita Shukla

US Secretary of State Anthony Blinken made his first official visit to Hanoi, marking the 10th anniversary of the signing of the US - Vietnam 'Comprehensive Partnership'. The visit carried further, discussions of the potential upgrade of the bilateral relationship to a 'Strategic Partnership', with both sides stating their commitment towards elevating their relationship "to new heights". The 'Strategic Partnership' has not materialized so far due to Vietnamese apprehensions about an adverse reaction from China.

During his visit, Blinken held meetings with General Secretary Nguyen Phu Trong, Prime Minister Pham Minh Chinh, Foreign Minister Bui Thanh Son, and External Relations Commission Chairman Le Hoai Trung. The two sides underscored the importance of upholding a 'free and open Indo-Pacific', a goal furthered by Vietnam's involvement in the negotiations on all four pillars of the Indo-Pacific Economic Framework (IPEF). Blinken reiterated the United States' respect for Vietnam's "right to shape its future under its own political system" while highlighting the importance of undertaking progress on human rights<sup>9</sup>. The two sides reiterated their commitment towards addressing the legacies of war.

The key outcomes of the discussions were the launch of new bilateral climate initiatives, announced by Vice President Harris in 2021, harnessing the power of the 'Just Energy Transition Partnership', recently joined by Vietnam, establishing a national Centre for Disease Control and Prevention in Vietnam and finalizing the transfer of the third U.S. Coast Guard cutter to Vietnam.

Fifty years after the US withdrew troops from Vietnamese soil, the two countries normalized their bilateral diplomatic relations in 1995 and expanded their engagement<sup>10</sup>. In 2013, the two sides elevated their relationship to a "Comprehensive Partnership". Since 2017, the US has transferred two U.S. Coast Guard cutters to Hanoi and U.S. aircraft carriers have made port visits to Vietnam in 2018 and 2020<sup>11</sup>. The two sides share a robust trade relationship with the US serving as Vietnam's second-largest trading partner and their trade in goods exceeding \$138 billion in 2022<sup>12</sup>. Vietnam and the United States have held twelve political, security and defense dialogues to discuss bilateral security cooperation. From 2017-2022, Vietnam received \$92 million in State

<sup>&</sup>lt;sup>9</sup> Secretary Antony J. Blinken at a Press Availability, <u>U.S. Department of State</u>, April 15, 2023

<sup>&</sup>lt;sup>10</sup> U.S. establishes diplomatic relations with Vietnam, <u>HISTORY</u>, July 8, 2020

<sup>&</sup>lt;sup>11</sup> A window of opportunity to upgrade US-Vietnam relations, <u>Brookings</u>, December 20, 2022

<sup>&</sup>lt;sup>12</sup> The United States – Vietnam Relationship: Celebrating 10 Years of Comprehensive Partnership and 28 Years of Diplomatic Relations, <u>US Department of State</u>, April 13, 2023



Department-funded security assistance and \$28.8 million in defense articles from the US<sup>13</sup>. Vietnam has expressed support for the Quad partnership. Given the food and water challenges in Vietnam, it is appreciative of the Mekong-US Partnership initiatives.

Once embroiled in a bloody war, the two countries have been able to redirect their bilateral foreign relations due to the redressal of war grievances and shared concerns regarding the regional and global order. The contemporary bilateral relationship is supported by extensive efforts undertaken to resolve the legacies of war ranging from locating and repatriating remains of U.S. and Vietnamese soldiers missing in action and the remediation of unexploded ordnance (UXO) and dioxin/Agent Orange. In March 2023, the United States announced a \$73 million commitment for Dioxin Remediation at Bien Hoa Air Base, in addition to the \$163.25 million already disbursed<sup>14</sup>.

A recent push for enhanced bilateral ties arises from a shared threat perception by the US and Vietnam about the growing assertive actions of China in the disputed South China Sea. Vietnam referenced the contestation with China, in a 2019 defence white paper, stating "unilateral actions, power-based coercion, violations of international law, militarization, change in the status quo, and infringement upon Viet Nam's sovereignty, sovereign rights, and jurisdiction"<sup>15</sup>. In recent years, due to increasing pressure from Beijing, Vietnam has been forced to cancel planned drilling operations by Russia's Rosneft in 2020<sup>16</sup> and exploration agreements with Repsol and Mubadala, inflicting heavy costs on state-owned Petro Vietnam<sup>17</sup>.

This extensive post-war partnership suffered a substantial blow during the Trump administration over the bilateral trade deficit between the US and Vietnam. The US alleged that Hanoi had been undervaluing its currency and launched an investigation into whether to apply countervailing duties on passenger vehicles and light truck tyre imports from Vietnam<sup>18</sup>. Under the Biden administration, these investigations remain open. The situation was exacerbated by the United States' withdrawal from the Trans-Pacific Partnership (TPP) Agreement in 2017. Under the Biden Administration, the US has not joined the successor agreement of the TPP known as the 'Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

These issues exacerbated concerns in Vietnam regarding Washington's reliability as a strategic partner. There are also underlying concerns stemming from the 'peaceful

<sup>&</sup>lt;sup>13</sup> U.S. Security Cooperation With Vietnam, <u>US Department of State</u>, April 11, 2023

<sup>&</sup>lt;sup>14</sup> The United States Announces New \$73 Million Commitment for Dioxin Remediation at Bien Hoa Air Base, <u>USAID</u>, March 6, 2023

<sup>&</sup>lt;sup>15</sup> 2019 Vietnam National Defense, Ministry of National Defense, 2019

<sup>&</sup>lt;sup>16</sup> Rosneft's Vietnam Exit Hints at Russia Inc.'s Future in Asia, <u>The Diplomat</u>, August 28, 2020

<sup>&</sup>lt;sup>17</sup> Vietnam to compensate for cancelled exploration, <u>Upstream Online</u>, July 29, 2020

<sup>&</sup>lt;sup>18</sup> The Unlikely, Indispensable U.S.-Vietnam Partnership, <u>CSIS</u>, July 6, 2021



evolution' approach adopted by the United States to undermine the Communist Party of Vietnam<sup>19</sup>. These concerns are aggravated by the USA's repeated criticisms of Vietnam's human rights record and against reliance on Russian defence systems. Hanoi fears extensive engagement with Washington will leave the country vulnerable to political interference from the United States. For Washington, Vietnam's policy of four no's - (i) no foreign troops on Vietnamese soil, (ii) no allying with one country to counter another, (iii) no military alliances with foreign powers, and (iv) no using force or threatening to use force in international relations, serves to restrict United States' bilateral ambitions.

Cognizant of these friction points the two countries have taken steps to reassure each other. The 'US National Security Strategy 2022' document underlined the differences between types of autocracies- "authoritarian governance with a revisionist foreign policy" and "non-democracies joining the world's democracies in forswearing these behaviors"<sup>20</sup>, clearly stating that the threat arises from the former which comprises countries like China, as contrasted with Vietnam which falls into the latter category of autocracies. On the other hand, Vietnam hosted its first international large-scale arms expo in its pursuit to diversify its defence procurement and reduce reliance on Russia<sup>21</sup>.

Through carefully navigating these issues, an extensive partnership has been established between the US and Vietnam covering areas such as security, health, energy, the civil space and people to people relations. However, Washington cannot wish away the China factor in its bilateral relations with Vietnam. Beijing and Hanoi share geographical proximity, and ideological affinity, and prioritize regime stability. In 2022, China was the largest supplier of materials and equipment to Vietnam's labor-intensive manufacturing sector, with imports from China rising by 6.6% to \$117.87 billion<sup>22</sup>. A fear of invoking Chinese retaliation prohibits Vietnam from adopting the nomenclature of a 'Strategic Partnership' with the United States. However, the depth and breadth of the relationship between the US and Vietnam appears to be more extensive that the latter's 'strategic partnership' with India and New Zealand.

<sup>&</sup>lt;sup>19</sup> U.S. will have to work hard to win over Vietnam's conservatives, <u>NIKKIE Asia</u>, May 11, 2022

<sup>&</sup>lt;sup>20</sup> National Security Strategy, <u>The White House</u>, October 2022

<sup>&</sup>lt;sup>21</sup> Vietnam turns away from Russia reliance with first defence expo, <u>NIKKIE Asia</u>, December 8, 2022

 $<sup>^{22}</sup>$  Vietnam posts record 2022 trade surplus with U.S. as China deficit rises,  $\underline{Zawya}$ , January 10, 2023



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