



**INSTITUTE OF
STRATEGIC STUDIES**

web: www.issi.org.pk
phone: +92-920-4423, 24
fax: +92-920-4658

Issue Brief

(Views expressed in the brief are those of the author, and do not represent those of ISSI)

China-Vietnam Maritime Crisis: Trying to Strike a Balance

July 12, 2017

*Written by: Junaid Ashraf, Young ISSI Professional **

Edited by: Najam Rafique

* Mr. Junaid Ashraf has done M.Phil. in Government and Public Policy from National Defence University, Islamabad, in year 2014. He is currently working under Young ISSI Professional Corner at the ISSI. His area of interests include China, CPEC, and Governance.

Vietnam continues to drill oil in the disputed South China Sea despite strong reservations by China. It has led to the cancellation of much awaited Vietnam-China 4th Border Defense Friendly Exchange, which was to be held from June 20-22, 2017 in the northern border province of Lai Chau and China's Yunnan province.¹ South China Sea is a disputed area for a very long period of time. There are conflicting claims over both maritime boundaries and resources and islands within ASEAN countries and also with China. The recent ASEAN summit held on April 29, 2017 saw a softening stance on China being adopted with respect to the South China Sea but no progress has been made practically, in fact relations have again starting to deteriorate. On the other hand, interestingly Vietnam and the Philippines have effectively resumed intra ASEAN confidence building measures on the South China Sea.

On June 22, the Philippines and Vietnam did the third iteration of their naval personnel interactions on Southwest Cay in the Spratly Islands in the South China Sea.² China, Vietnam, the Philippines, Malaysia, Brunei and Taiwan, all have competing claims³ especially on the Spratly Island. China's claim on the Spratly Island is backed by its historical linkages with the island, while Vietnam discredits China's historical aspect. The other main claimant is the Philippines, which calls upon its geographical proximity to the Spratly Islands as the integral basis of its claim for part of the grouping.⁴ Previously, the Philippines has chosen a combination of confrontational language and high-profile legal protestation, supported by strong military alliance with Washington, while Vietnam has mostly relied on low-key, patient bilateral diplomacy to push for joint-development designs with China.⁵

¹ Carl Thayer, "Is a New China-Vietnam Maritime Crisis Brewing in the South China Sea?," *The Diplomat*, June 29, 2017, <http://thediplomat.com/2017/06/is-a-new-china-vietnam-maritime-crisis-brewing-in-the-south-china-sea/>

² Prashanth Parameswaran, "What's Behind the Resumed Vietnam-Philippines South China Sea Activity?," *The Diplomat*, June 27, 2017, <http://thediplomat.com/2017/06/whats-behind-the-resumed-vietnam-philippines-south-china-sea-activity/>

³ "Why is the South China Sea contentious?," *BBC News*, July 16, 2016, <http://www.bbc.com/news/world-asia-pacific-13748349>

⁴ "Why is the South China Sea contentious?"

⁵ Richard Javad Heydarian, "Philippines and Vietnam in the South China Sea: A Burgeoning Alliance," *Huffingtonpost*, http://www.huffingtonpost.com/richard-javad-heydarian/philippines-and-vietnam-i_b_5392321.html

Vietnam and the Philippines are steadily growing their alliance. Both countries, in recent times, have developed strategic partnership, which provides not only impetus to political-security cooperation but also towards economic development especially with regard to trade and investment.⁶ Furthermore, the ongoing developments in the South China Sea with respect to Spratly Islands have implications on China, as the Philippines and Vietnam also have conflicting claims on the islands, but now they are conducting joint naval exercises on the disputed islands. Cancellation of the 4th Border Defense Friendly Exchange between China and Vietnam is clear signal of an arising rift.

China is investing its energy to enhance its maritime presence and has recently launched Asia's most advanced naval warship. This 055 naval destroyer⁷ ship is similar in size to the US Navy's Arleigh Burke class ships.⁸ This is a massive step for China to counter US's presence in the South China Sea and the Indian Ocean. South China Sea holds immense importance for China as it is crucial to the Chinese increasing maritime position in Asia. China is working towards countering the US in the region and stance of Vietnam and the Philippines is also crucial as Vietnam is China's largest rival in the maritime realm. Vietnam can also be used as leverage by the US against confrontation with China. Even with a fickle history between them, Vietnam makes good logic as a partner for the US on the South China Sea. Historic and current tensions between Vietnam and China are heightened in discrepancies, particularly with regards to maritime resources. The US can work to support the Vietnamese claims to strengthen relationships and counter Chinese presence.⁹

The ascendance of Rodrigo Duterte to the President of Philippines changed the dynamics of alliances of the Philippines from the US towards China. In 2016, he announced separation from the US and decided to realign towards China.¹⁰ However, no significance progress has been made in the relationship with

⁶ "Vietnam, Philippines Setting Positive Tone for New Level of Relations," *VCCINNEWS*, July 11, 2016, http://vccinews.com/news_detail.asp?news_id=33654

⁷ Anders Corr, "China's New Destroyer, the US Navy's Anti-Ship Missile Failure, And Preemption," *Forbes*, July 1, 2017, <https://www.forbes.com/sites/anderscorr/2017/07/01/chinas-new-destroyer-the-u-s-navys-anti-ship-missile-failure-and-preemption/#262f5941638f>

⁸ "Beijing Launches Largest, most Advanced Warship in Asia, a major step in Modernising the PLA," *South China Morning Post*, June 28, 2017, <http://www.scmp.com/news/china/diplomacy-defence/article/2100335/china-launches-its-best-and-biggest-warship-push-build>

⁹ Daniel Ward, "strengthening Ties with Vietnam as a 'South Sea Allay'," *Small Wars Journal*, March 19, 2017, <http://smallwarsjournal.com/jrnl/art/strengthening-ties-with-vietnam-as-a-%E2%80%98south-china-sea-ally%E2%80%99>

¹⁰ Duterte: Philippines is separating from US and realigning with China, *The Guardian*, October 20, 2017, <https://www.theguardian.com/world/2016/oct/20/china-philippines-resume-dialogue-south-china-sea-dispute>

China. On the other hand, the recent joint exercises with Vietnam raise big questions for China on the future relations between both countries.

As China looks outwards after announcement of the Belt and Road Initiative (BRI), every development within ASEAN is of significance to China, as it wants to counter America's presence in the region and also looks to enhance its maritime presence in the South China Sea. The US will always be anxious with developments in the South China Sea, and will keenly search for options to check China's maneuvers to solidify itself as the central regional power. This makes Vietnam and the Philippines important allies to be kept with.

The main challenge for China is to maintain friendly relations with both Vietnam and the Philippines because any bones of contention, however, small will only serve to cause impediments in its greater goal of becoming an even larger economic. Maintaining friendly relations with both countries will also mean that they cannot be used as leverage against Chinese progress in the region.