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CHINA'S LUCONIA SHOALS GAMBIT PART OF A LARGER PICTURE

By

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South China Sea starts to boil.

The brewing tensions in the Luconia Shoals of the waters of the South China Sea as Chinese Coast Guard vessels harass Malaysian drill rigs and supply ships reflect a troubling enlargement of the contest playing itself out between Washington, DC and Beijing, drawing in the littoral nations lining the sea.

Chinese marine scientists from China first landed on one of the reefs of the complex in 2010 and persistent patrols have been observed over many years by Chinese ships at James and Luconia Shoals. These features lie on Malaysia's natural continental shelf, 50 to 150 nautical miles off the Sarawak coast.

The harassment picked up on November 19, 2020, when Coast Guard Ship 5402 reportedly interfered with a drilling rig and its supply ships operating about 45 nautical miles north of Sarawak in an offshore permit block allocated by the Malaysian government to a foreign oil and gas exploration company. The incident resulted in two weeks of increasing tensions between the ships of the CCG and the Royal Malaysian Navy (RMN) in the area.

Though the Luconia Shoals are embedded on its continental shelf, China and Taiwan still dispute their sovereignty. Malaysian officials have twice summoned China's ambassador to register protests of Chinese marine activities in the shoals over the past four years, most recently in November.

Indeed, up to 11 coast guard vessels have been in regular rotations in these waters in the past year. These sightings are tracked and documented by the Asia Maritime Transparency Initiative. These events are signals from the PRC that it plans to maintain a maritime presence to support its contested claim to most of the South China Sea.

The brewing tensions preceded President Xi Jinping's announcement in late 2012 to prepare the nation for combat readiness. The revised National Defense Law expanding the powers of the armed forces came into force on January 1, the 100th year anniversary of the founding of the Chinese Communist Party.

On January 4, Xi requested the military to remain on high alert. That command may have been the signal for brewing tensions relating to sovereignty and territorial issues in regions bordering China including the South China and the East China Sea. These military tensions have manifested themselves along the Himalayan Ranges and in the South China Sea within days of Joseph Biden's inauguration as the 46th President of the United States, replacing Donald Trump. During Trump's term, China-US military, cultural, diplomatic, social, and trade relations dipped to new lows.

Events off Taiwan between January 18 and 28 demonstrate Asian regional geopolitical fragility. These developments include China's deployment of at least 13 warplanes on two consecutive days over Taiwan's airspace near the disputed Pratas Island within Taiwanese Air Defense Identification Zone (ADIZ) just as Biden was being sworn in. The People's Liberation Army deployed DF-26 ballistic missile launchers to the Qinzhou training site in Shandong Province and to a location in a western province of China. These advanced intermediate ballistic missile (IRBM) launchers can reach Japan, Guam, India, and the neighboring claimant states in the South China Sea.

On January 20, the media reported a clash between Chinese and Indian border patrols along the Chinese/Indian terrestrial boundary at Nathu-la Pass in the vicinity of Sikkim, an Indian state. The Foreign Ministry of China has urged India to exercise restraint, stressing that China's border troops are

committed to upholding peace and tranquility along the border with India. Beijing also urged India to refrain from actions that might escalate or complicate the situation along the border. Nevertheless, the skirmish left soldiers injured on both sides.

A day later, China passed a law for its Coast Guard, to enter into force today which, though largely like the coast guard laws of other countries, doesn't specify the jurisdictional scope (*e.g.*, internal waters, territorial sea, EEZ), but only says that it applies to the sea areas (airspace above) under China's national jurisdiction. The term "sea areas under China's national jurisdiction" usually includes the areas within the Nine-Dash Line drawn unilaterally by China in the South China Sea. The law also provides for the Coast Guard to establish exclusionary zones in its national jurisdiction.

In addition, China's Coast Guard may exercise its power in the sea areas beyond China's national jurisdiction in accordance with relevant laws or international treaties. This may indicate that the coast guard could sail all the way to Somali waters and the Gulf of Aden under the authorization of the UN Security Council for the combat of piracy, for example – duties now authorize only for the PLA Navy.

On January 23 – the third day of Biden's fledgling presidency – the US Navy dispatched the aircraft carrier task force led by the USS Theodore Roosevelt to the South China Sea to promote "freedom of the seas," a diplomatic euphemism to counter China's military assertiveness over Taiwan's airspace. The Roosevelt was accompanied by the Ticonderoga-class guided-missile cruiser USS Bunker Hill, and the Arleigh Burke-class guided-missile destroyers USS Russell and USS John Finn.

Of course, such incidents are not unusual between these rival powers. What is unusual is that they happened as Biden was warming his seat, giving the impression that China was testing the choppy waters in the South China Sea and along its rocky Himalayan terrestrial boundary with India and sending a coded message to the US that China is ready to take on its aggressors, especially in the disputed maritime areas.

China has repeatedly complained about US Navy ships getting close to Chinese-occupied islands in the SCS, where Vietnam, Malaysia, the Philippines, Brunei, and Taiwan all have competing claims. By the same token, Chinese Coast Guard vessels and its maritime militia-boats allegedly engaged in fishing – are recorded as being anchored or underway in the vicinity of marine features claimed and/or occupied by the littoral states.

There are two geopolitical dimensions in the South China Sea. One is the US-China rivalry for control of the area through which passes more than a third of global commerce. Both rival parties have accused the other of militarizing the sea and trying to cut each other's influence. China accuses the US of using international law to impose its will, apparently believing that the US is holding the claimant states hostage by asking them to use international law as a basis to gang up on Beijing. It also accuses the US of aiding Taiwan's development of a separatist stance.

The President of the Hainan-based National Institute for South China Sea Studies, Wu Shicun, predicts that the international community can expect more instability in the South China Sea basin in 2021. His rationale: the US's interference in regional affairs and persistent Freedom of Navigation Operations (FONOPS); ASEAN's growing appetite for international arbitration following the one initiated by the Philippines in 2013 and the prospects of another instigated by Vietnam.

In December 2019, Malaysia lodged a second submission for an extended continental shelf claim to the Commission on the Legal Continental Shelf. The government felt compelled to take this action in the light of persistent intrusions into Malaysia's Exclusive Economic Zone by China's Coast Guard ships and fishers operating illegally.

Obviously, the external interference applies to the presence of foreign naval ships from countries such as Australia, France, India, Japan, UK, and the US in the region which China alleges are attempts to undermine its hegemony. In the same breath, China condemns attempts by outside powers to interfere in its domestic affairs in Taiwan, Xinjiang and more recently in Hong Kong.

In the meantime, the situation in the South China continues to be explosive. By mid-2020, Chinese naval action had sunk Vietnamese fishing vessels; dispatched a fishing flotilla to the offshore areas of Sabah and wielded a maritime militia to surround Philippine outposts including Scarborough Shoal. China has militarized at least seven artificial islands in the Spratlys with new aircraft deployments.

The US has countered, accusing China of using force and economic carrots to win over the claimant states and ASEAN in general.

The other facet of the confrontation in the SCS is between China and the coastal states. The prospects of ASEAN members or the littoral claimant states of colluding against China are not good. Their vulnerabilities are different. They also own separate strategic agendas to contend with in their dealing with China. But on their own, the individual states have their own intrinsic strength that can make it diplomatically difficult for China to use its coercive powers.

In the unlikely event that if China over-flexes its muscles in the Luconia Shoals regions or elsewhere, where Malaysia, and for that matter, the Philippines and Vietnam companies and their exploration partners have been producing oil and gas, Putrajaya may emulate the Philippines. Vietnam, with its new leadership may not look kindly on any Chinese aggression relating to its sovereignty and territorial issues. Egged by the US, the new leadership in Vietnam may become more aggressive in defending their interests.

The possibility of Vietnam suing China before an international tribunal cannot be discounted. Of course, China is not expected to participate in the proceedings as in the 2016 Permanent Court of Arbitration Case. However, ignoring the arbitration will surely damage its international reputation.

A naval showdown in the Luconia Shoals with Malaysia would tarnish China's global reputation. Picking a fight with a small neighbor that has gone out of its way to support Xi's Belt and Road Initiative, for example, wouldn't bode well for regional security. It would certainly be a retrograde step and dampen prospects for a meaningful Declaration on the Conduct of Parties in the SCS. China and the US seem to ignore the resilience of the small powers to play both at their own game.

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