

## Briefing Memo

### **Vietnam and China over the South China Sea The confrontation proceeds towards a new phase**

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In recent years, disputes among relevant countries over territorial rights concerning the South China Sea have appeared and relations between Vietnam and China are in an unprecedented state of tension. The origin of the affair lies in China, which, in de facto control of the Paracel Islands, installed an oilrig in the beginning of May, 2014 and started drilling in the vicinity of the islands where both countries have disputed their territorial rights. Understanding this as the solidification of a fait accompli of control by China, Vietnam has expressed fierce opposition and resistance.

The China Maritime Safety Agency announced May 3, 2014 that the country would start drilling with the oilrig called “HD-981” at a point 17 nautical miles south the Triton Island of the Paracel Islands from May 2 to August 15. In response to this announcement, Le Hai Binh, spokesperson of the Ministry of Foreign Affairs of Vietnam on May 4<sup>th</sup> stated Vietnam’s clear opposition to the Chinese action which it considers illegal without Vietnamese permission since the drilling area was at a point 130 nautical miles from the Vietnamese mainland’s shoreline, where it was in the very Vietnam’s Exclusive Economic Zone and continental shelf, and furthermore Vietnam possessed sovereignty of the Paracel Islands.

#### **Vietnam’s Reactions**

Following the statement by the spokesperson of the Ministry of Foreign Affairs, Vietnam promptly took a series of measures. First, the country demanded the suspension of drilling and bilateral negotiation over the issue. On May 4, Petro Vietnam, the state oil company, sent a letter to the China National Offshore Oil Corporation (CNOOC), requiring immediate suspension and a representative of the Ministry of Foreign Affairs of Vietnam had a meeting with a representative of the Chinese Embassy in Hanoi and handed a similar letter to the Chinese representative on the same day. In addition, on the very same day, Ho Xuan Son, Vice Foreign Minister and head of the National Border Committee had a conference call with Liu Zhenmin, Vice Foreign Minister and head of the national border committee of the Chinese Government, and on May 6, Pham Binh Minh, the Minister of Foreign Affairs, talked with Yang Jiechi, a State-Councilor, by telephone and demanded that China remove its equipment and withdraw its vessels, claiming that China’s bringing of the oilrig and its ship deployment including Navy vessels since May 1 was a violation of international law and Vietnam’s sovereignty. On top of that, a representative of the Ministry of Defense of Vietnam and a Chinese defense attaché to Vietnam also held a meeting on the issues. According to an announcement by the Vietnamese, meetings among people relevant to the Ministries of Foreign Affairs alone were held 8 times by May 7, and 30 times by June 5. Furthermore, Phung Quang Thanh, Defense Minister of Vietnam, revealed in an interview during the Shangri-La Dialogue 2014 that the country suggested a summit to China to break the deadlock. A source of the Communist Party of Vietnam also revealed later that Vietnam proposed setting a conference call between Nguyen Phu Trong, the General Secretary of the Party or Truong Tan Sang, the President of Vietnam and Xi Jinping, the President of China and dispatching a special envoy to Beijing, but China rejected the proposal.

Second, Vietnam dispatched patrol ships of the Vietnam Coast Guard and surveillance ships of the Fisheries Bureau of the Ministry of Agriculture and Rural Development to the oil drilling point and confronted Chinese vessels, and attempted to monitor and block the work, including demanding the removal of drilling devices. According to a press

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conference conducted by the Vietnamese Foreign Ministry, the country's fisheries surveillance ships discovered oil drilling devices down to the south in the vicinity of the Triton Island of the Paracel Islands May 1, and then the devices were installed the next day, May 2. There were up to sixty Chinese vessels guarding the devices, including Navy vessels. During May 3 to 4, the China Coast Guard's patrol vessels intentionally collided with the Vietnam Coast Guard's ships, and not only destroyed them but also sprayed Vietnamese fisheries surveillance ships with water cannons, injuring six Vietnamese surveillance officers. Chinese patrol vessels were armed with weapon covers off and weapons at-the-ready. In addition, China used aircraft to threaten Vietnamese patrol ships. In contrast to China's actions, Vietnam emphasized that they held back on dispatching Navy vessels and acted with restraint in their resistance.

Faced with Vietnamese resistance, China repeatedly collided with and shot water cannon at the Vietnamese patrol ships in order to block and interfere with their activities. Cases of collisions hereafter intermittently continued, so that a Vietnamese fishing boat was smashed by a Chinese fishing boat and sunk May 26, while Vietnamese patrol ships were broken and fisheries surveillance officers were injured. The Vietnam Foreign Ministry held the 2<sup>nd</sup> press conference June 5 and made public that the total number of Chinese vessels had reached 140 by then, that 19 fisheries surveillance ships and 12 fishing boats were damaged, and that 12 fisheries surveillance officers had been injured.

Third was to mobilize international public opinions. To begin with, for domestic and international media, the Vietnam Foreign Ministry has held extensive press conferences three times (May 7, June 5 and 16) up until now. Senior members of the Fisheries Surveillance Bureau and Petro Vietnam as well as Tran Duy Hai State Border Committee Assistant Manager and Ngo Ngoc Thu Coast Guard Deputy Commander participated in the press conferences to clarify the details of the situation. In this announcement, the Vietnam authorities intended to restrain China by disclosing deployed equipment by the Chinese Navy while emphasizing that they still maintained their position of self-restraint. In addition, the authorities allowed foreign and domestic media to board a patrol ship and report on the scene of the conflict. At the same time, they made public a video taken of a sinking Vietnamese fishing boat smashed by a Chinese fishing boat. Moreover, the Vietnamese Government sent correspondence to the U.N. to appeal to its legitimacy as well as attempting to internationalize the issue.

Fourth, the Vietnam authorities permitted demonstrations this time, though they had been strictly controlled in the past. Anti-China demonstrations were performed in the four major cities in Vietnam, the capital city Hanoi, Ho Chi Minh City, Da Nang and Hue on May 11. It was an unprecedented phenomenon that simultaneous demonstrations were conducted in major cities in Vietnam. Moreover, anti-China demonstrations occurred not only in Vietnam but also in more than 10 major cities in the world, including Tokyo, Paris, Hong Kong and San Francisco in the middle and late May. However, a peaceful demonstration in the Binh Duong Industrial Park got out of hand, so that foreign companies' factories were damaged and several people including Chinese personnel were killed. In reaction to these riots, the authorities suddenly turned to controlling demonstrations.

And fifth, in the ASEAN conferences held in Naypyidaw, the capital city of Myanmar, right after the affairs occurred, Vietnam energetically took diplomatic actions calling for an ASEAN statement of unified and strong concern about the tension of the South China Sea. As a result, an emergency meeting by ASEAN foreign ministries was held May 10 and a statement of "serious concern" about the South China Sea situation was issued after the meeting. Similarly, the chairperson's statement from the ASEAN Summit held on May 11 expressed "serious concern" by the ASEAN top leaders. Subsequently, the ASEAN Defense Ministers Meeting (ADMM) was held May 20, whose joint statement appealed for the improvement of confidence-building measures using hotlines as well as calling for self-control by relevant nations. As stated above, ASEAN was able to agree on showing strong concern over the South China Sea issue in a series of meetings. This would be owing to not only approaches by the countries in the dispute such as Vietnam and the Philippines but also to the steady chairmanship of Myanmar, the chair country.

### **The Background of Vietnam's Resistance**

In this confrontation, Vietnam's strong opposition was remarkable, which drew a clear line between the conflict and a series of troubles occurring at sea or diplomatic exchanges of criticism after recent problems reignited in the South China Sea. The Vietnamese were conspicuous in the assertiveness of their response. Vietnam made public the situation of the collisions with China's vessels on a huge scale as well as showing strong resistance by dispatching many patrol ships, surveillance ships and fishing boats. Moreover the country permitted anti-China demonstrations inside and outside the country, and seemingly encouraged demonstrations outside the country. These all indicate Vietnam's strong resistance. The unusually severe tone of the remarks by the Communist Party of Vietnam, which has its own connection with the Communist Party of China and has functioned as a stabilizing mechanism between the two countries, was also notable. The 9th conference report of the 11th term Central Committee of the Communist Party, which was issued May 14, declared that the country opposed the drilling, fought for the suspension of the drilling operations and that the whole party, the whole people and the whole army of Vietnam would unite in order to defend its independence, sovereignty and territorial integrity though they persistently depended on peaceful means.

The following 3 points can be mentioned as a backdrop to Vietnam's tough resistance. First, Vietnamese authority's resistance to China and the people's anti-China sentiment heightened at that time more than ever because, in the vicinity of the Paracel Islands, Vietnamese fishermen had been repeatedly harassed by Chinese authorities who attached great importance to securing China's marine interests. For example, the China Coast Guard seized Vietnamese fishermen in the sea area, confiscated their equipment including fishing boats, detained them for long periods and subjected them to physical abuse. These affairs had continued up to that time. Second, the start of the drilling at the Paracel by China meant a new development in attempting to solidify China's de facto control of the Islands and their vicinity, which Vietnam was by no means able to accept. And third, as both countries had agreed to the basic principles for the settlement of maritime issues when General Secretary Trong visited China in October 2011, Vietnam was under the impression that an atmosphere was brewing between Vietnam and China to resolve marine issues including the South China Sea by negotiation. Therefore, for Vietnam, the start of the drilling operations seemed to be a unilateral and sudden policy change by China. For this reason, it can be surmised that Vietnam's strong and unprecedented response was a counteraction to their hitherto refrained posture.

### **Future prospects**

Here we will take a look at future conflict centered around Vietnam's behavior. When General Secretary Trong attended a briefing session of the 13 term, 7<sup>th</sup> National Assembly held in Hanoi on July 1, he accounted for the South China Sea situation in detail mentioning even the possibility of a military conflict stating "We should not cause conflict or war. At the same time, however, we should independently prepare for every possibility". In the past, there were a strong consideration for China and power balance within Vietnam's top political leadership, and it would have been primarily Prime Minister Nguyen Tan Dung's role to remark in concrete terms on the South China Sea issue. This time, however, General Secretary Trong, who is in the highest position of not only the Communist Party but also the Vietnamese political leadership, was unprecedented in referring to the South China Sea and China in great detail, and the public was informed of this state of affairs through various kinds of media. This fact indicates a strong sense of crisis to this affair for the Vietnamese people and top political leaders. This extraordinary reference by the General Secretary of the Party means that the tension with China over the South China Sea is proceeding towards a new phase from Vietnam's standpoint.

As might be expected, there is no effective means to control the greater China by Vietnam's own efforts. Therefore it would be very difficult to compel China to stop the oil drilling. Presumably, Vietnam's authorities fully understand that they don't have decisive and effective measures by themselves to make China suspend the work. Vietnam's tactics

accordingly seems to be to make China's hard line policy as costly as possible in order to make it difficult for China to take a similar action next time.

As concrete countermeasures, first the Vietnam Government has declared its intent to appeal to an international tribunal, as was the case with the Philippine Government. Appeal and a trial would raise a question to China's assertion of the territory from a point of international law and it may become widely known to the international community. China is likely to strongly discourage Vietnam from appealing. If Vietnam decided to take the issue to court, the relation between China and Vietnam would probably worsen as well as causing a serious blow to China. The Vietnamese Government signed the Host Country Agreement with the Permanent Court of Arbitration on June 23, and thereby took the first step towards a specific appeal. It is thought that the Vietnamese Government hereafter will make a final decision on whether to appeal or not based on the progress of the situation.

The Chinese reaction has been to deny the fact that it deployed armed vessels, to assert that the collisions were initiated by the Vietnamese, and to focus on erasing its own illegalities. In the early stage, China called for talks with Vietnam. At the matter of fact, State-Councilor Yang Jiechi visited Vietnam June 18 and had a meeting with General Secretary Nguyen Phu Trong, Prime Minister Nguyen Tan Dung and Minister of Foreign Affairs Pham Binh Minh. However there were no new developments in the meeting, and China is hereafter expected to resort to an approach that emphasizes pressure over discussions toward Vietnam.

In this sense, it has been indicated that China will possibly apply economic pressure on Vietnam, which may strike a blow at Vietnam's economy. However, though China is the largest trading partner for Vietnam, the volume of investment and ODA from China is not so large compared to that of other countries and it is not clear whether China has the means to deliver a crucial blow to Vietnam's economy. Rather than that, the Vietnamese Government more seriously fears that the situation will widely depress the investment to Vietnam because foreign enterprises will be afraid of the possibility of tension with China and demonstrations by laborers developing into major riots. In addition, it could be expected that the cutting of logistic networks between the two countries would have a severe impact on Vietnam's economy. Nevertheless, considering the mutual benefits of trade, it is uncertain whether or not China will be able to take such a unilateral approach.

History suggests that bringing the situation to a decisive confrontation would bring about a challenge for China as well. What China feared during the Cold War was the nightmare of a US attack on China from the Korean Peninsula, Taiwan or Indochina. Though, off course, today's various conditions are different from those of the Cold War, excessively driving Vietnam to the side of the U.S. while the U.S.-Vietnam relationship is moving forward could have negative effects in terms of China's security. After the incident, Foreign Minister Minh held a conference call with John Kerry, the U.S. Secretary of State and requested US support and assistance for Vietnam. The US as a countermeasure seems to have decided on the concentrated deployment of Global Hawk drones in the South China Sea. China can also be seen attempting to further strengthen its relations with Cambodia, which, to some extent, is similar to the conflict between Vietnam and China and (its ally) Pol Pot's Cambodia in the 1970s. However, a reverse lesson of history would be that if Vietnam can ensure American cooperation, it can avoid international isolation and moreover, can look forward to a deterrent effect on China.

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